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ADDRESSES





Jack Perry

ADDRESSES

DELIVERED BY
HON. JAMES CRANSWICK TORY, LL.D.



THE MORTIMER COMPANY LIMITED
OTTAWA

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TO MY MOTHER

whose hands were ever ready to help me,
whose love never failed me, and
whose thought and prayer always followed me.



PREFACE

DURING the time that I was a member of the Legislative Assembly of the province of Nova Scotia (1911-1923) the province passed through a period of agitation as a result of an effort to share in the industrial development taking place in other parts of Canada. It was therefore a period of spirited discussion in the Legislature of questions considered of vital importance to the people. Of necessity I took an active part in these discussions. To some of them I gave a good deal of special study in the hope that I might help to direct the activities of my native province along useful lines of development.

Having been urged to have these addresses reprinted, I have done so in the hope that they may prove a useful record of some of the activities of the time and constitute a slight contribution to the political history of Nova Scotia.

To the addresses delivered in the Legislative Assembly I have added a few delivered on special occasions during the five years (1925-1930) I had the honour to serve as Lieutenant-Governor of the province. As some of these occasions were celebrations of important events connected with the history of the province, possibly the friends into whose hands this book falls may find an added interest in the circumstances surrounding these special occasions.

J.C.T.

HALIFAX,
January 20, 1932.

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STEAM TRAWLING

March 14th, 1912

MR. SPEAKER:

Although I concur in the utterances of my honorable friend from Lunenburg, yet I feel that the resolution moved by him does not express exactly the sentiments of this House. I therefore desire to move an amendment to the resolution which has been submitted, which amendment is seconded by the honorable member for Richmond (Dr. Bissett) and reads as follows:

“This House re-affirms the resolution unanimously adopted on the 10th day of April, 1909, as follows:—

“That this House deems it imperative to advise the Federal Government, and it is hereby so advised, of the impending danger to the Provincial fisheries from the introduction and use in pelagic waters adjacent to the coast of the devices called Otter Trawls, operated by steamers from the British Islands and from France, from which a great influx is contemplated the coming season to the imminent peril to the said fishing grounds as threatening to deplete them by a method proved to be most destructive to the food fishes and the spawn, a fact tacitly admitted by the Dominion Government in debarring said trawlers from the littoral waters;

“And further resolved, that the Federal Government is hereby memorialized to set in motion the powers of diplomacy through the Imperial Government to bring about an international convention between the countries immediately concerned for the suppression of the said manner of trawling in the open sea.

“Further resolved, that in view of the very great importance

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of this subject to the fishermen of this Province; of their very strong desire that steam trawling be prohibited; and of the necessity of the very fullest co-operation on the part of the Canadian Government, this House regrets that the present Minister of Marine and Fisheries should at this juncture have given public expression to views calculated to raise doubts as to the injurious and destructive effects of steam trawling upon our fisheries, and to discourage the hope for an international conference.

"And further resolved, that this resolution be communicated to the Government of Canada, with the request that the matter be given their immediate and careful consideration, so that effective protection be provided our fishermen against the menace of steam trawling."

In expressing the view which I desire to present to the House in connection with this subject, I wish to refer first to the statement made by the honorable member for Lunenburg with regard to this not being a political question. I admit frankly that it should not be a political question, and that it should never have been brought into politics, but, unfortunately for me, and for many others, it has been brought into politics. I refer particularly to the matter as it affects my own and other adjacent constituencies. The question has been brought into politics in a way that does not reflect credit upon those who introduced it. The question is now in politics, and it cannot get out of it until some light is let in upon the subject. I regret to have to make this statement, because this view is apt to give bias to the discussion. Still, in justice to those who have been affected by the controversy, a few things will have to be said.

The situation at the present time is very different from the situation in April, 1909, when the resolution to which I have referred was first moved in this House. Then, the agitation was largely based upon rumors of things that were going to happen. It is true that there was one small steam trawling vessel operating on the coast of Canada, and there were some French trawlers operating on the banks, but there was not a great deal of public interest taken in the subject. At that time we had at Ottawa a Government that, taking the principles of Liberalism into con-

sideration, would naturally be considered as being on the side of the people in connection with a controversy of this kind so that there was no serious condition then existing. Today, conditions in respect to steam trawling are quite different.

First, because as a means of catching fish, steam trawling has been demonstrated to be a success. People said formerly that the bottom of the sea was too rough, the difficulties too great and the season too short for beam or otter trawling to be carried on successfully on the coast of Canada, but since that time it has been amply demonstrated, and honorable gentlemen will now admit, that this method of fishing offers a profitable investment.

Second, at that time no great corporations were interested in the matter, whereas since then a great corporation has been formed with headquarters in the city of Montreal, with, I believe, a million dollars capital. They have taken over all the local interests in steam trawling, and now, I understand, are creating an enormous organization in this country for the prosecution of the fish business.

Third, in addition to the foregoing, there are rumors, I do not know whether well founded or not, that another gigantic company is to be organized in the Province of Nova Scotia with a view to exploiting the fish business by steam trawling.

Fourth, I noticed further in the daily press the statement that another concern, with headquarters in Prince Rupert, has placed orders in Great Britain for fifteen trawlers to cost sixty thousand dollars each, and is there about to develop another gigantic fishing industry.

Fifth, although not a part of the fishing machinery of Canada, yet equal in importance to any of the points I have mentioned above, is the development of steam trawling in the United States by the Bay State Fisheries Company, the first great corporation in the United States to undertake the exploitation of the fishing industry by means of the otter trawl.

Sixth, and most important of all, in my judgment, we have had through the Minister of Marine and Fisheries a definite pronouncement on this question of the attitude of the Federal Government, and nothing, in my opinion, so vitally affects the situation as this statement. When you come to consider the facts that everything

is ready in this country, organization, methods demonstrated, big companies looking forward to the development of this industry, and in addition to all this, when you take into consideration the statement of the Minister of Marine and Fisheries, commending steam trawling, you will at once see that the people of this country are up against a different proposition to that which faced them in April, 1909.

MR. MARGESON: The Minister did not say that. I would like my honorable friend to read the statement.

MR. TORY: I shall read his exact words presently, and will leave the interpretation to the honorable gentlemen present.

There is another matter to which I wish to refer. In the county of Guysboro a most unwarrantable and unscrupulous use was made of this steam trawling matter against the representative of my county in the Federal Parliament, Mr. J. H. Sinclair, myself and also the Federal Administration, to the effect that we were all combined in the interests of steam trawling, and although this was not a provincial issue, my colleague and myself lost, in the local election, many votes through that unfair and unwarranted canvass. So far as the representative of Guysboro in the Federal House is concerned, I think that honorable gentleman was paid the highest compliment that could be paid him in that it was from his speech in the Federal Parliament on this question that the honorable member for Lunenburg derived much of his argument today. I wish to go on record as saying that no man has given of his labor more unstintingly than John H. Sinclair in his efforts on behalf of the fisherman in this, as well as in many other directions. Where I, myself, stand in the matter will be seen before I have finished.

THE ATTITUDE OF THE LIBERAL GOVERNMENT

Where did the late Liberal Administration, at Ottawa, stand on this question? That question I now propose to answer.

The first time this matter was brought to the attention of the Minister of Marine and Fisheries, as far as I know, was in 1905, in the form of an appeal from the chairman of the Fisheries Committee of the Halifax Board of Trade for assistance in the intro-

duction of the use of steam trawling in this country. What position did the Government then take? That position is clearly indicated by the reply of the then Minister of Marine and Fisheries, Mr. Prefontaine, to Mr. Harris, under date of June 5, 1905. The letter was as follows:—

Ottawa, June 5, 1905.

"Dear Sir:—Referring to the matter of the introduction of steam trawlers in Atlantic waters of Canada, I have an official report before me, and I do not see that any encouragement could be held out to steam trawl firms to operate in our waters. You are no doubt aware that to that destructive method of fishing has been attributed the destruction of valuable fisheries off the shores of Great Britain, and prohibitory laws have been enforced in inshore areas.

"Outside the three-mile limit, trawling cannot be prevented, but I am not disposed to favor it in territorial waters, or grant assistance to firms adopting that mode of fishing.

"Yours faithfully,

"(Sgd.) R. PREFONTAINE."

That was the position of the Liberal administration with regard to steam trawling in 1905.

In 1908 the first steam trawler came to this country, and was the first such craft in active operation on the shores of Canada. At that time, of course, there was very little known over here in regard to the matter of steam trawling, but the danger to the fishermen by this means of fishing was drawn to the attention of the Minister of Marine and Fisheries, Mr. Brodeur, and although the boat had begun operating only in June or July, on the 9th of September 1908 the following order in council was passed.

"His Excellency the Governor in Council in virtue of the provisions of section 54 of the Fisheries Act, Chapter 45, of the revised statutes of Canada, 1896, is pleased to make and doth hereby make the following fishery regulations:

"The use or operation of vessels known as steam trawlers, operating beam, otter, or other trawls for the purpose of catching fish, is prohibited within the three-mile limit and in the bays and harbors of Canada."

That was step number two for the Liberal administration in regard to this question.

First, the introduction of steam trawling as a means of fishing in this country was refused assistance.

Second, their use was prohibited within the territorial waters of Canada.

Later on another phase of the matter arose. As you are aware, the Federal Government paid bounties to the owners of boats and to fishermen. The owners of the steam trawler and her crew made application through the usual channels for such bounties to be paid to them, and a small amount of money was paid. This matter was immediately brought to the attention of the Government under date of February 22, 1911, and another order-in-council was passed, which was as follows:—

“His Excellency In Council:

“His Excellency in Council in virtue of the provisions of section 7 of Chapter 46 of Revised Statutes of Canada, An Act to Encourage the Development of the Sea Fisheries and the Building of Fishing Vessels, is pleased to order, and it is hereby ordered that section 5 of the regulations governing the payment of claims for fishing bounty, be rescinded and the following substituted in lieu thereof:—

“5. Canadian registered vessels, owned and fitted out in Canada, of ten tons and upwards (up to 80 tons) by whatever means propelled, contained within themselves, which have been exclusively engaged during a period of not less than three months in the catching of sea fish other than shell fish, salmon or shad, or fish taken in rivers or mouths of rivers, shall be entitled to a bounty, to be calculated on the registered tonnage, which shall be paid to the owner or owners: Provided that vessels known as “Steam Trawlers”, operating beam, otter or other such trawls, shall not be eligible for any such bounty.”

That was the third step indicating the attitude of the Liberal administration with regard to steam trawlers. Subsequently the question arose as to what further could be done to protect the interests of the fishermen from this apparent menace, and Mr. Sinclair, member for Guysboro, in the House of Commons, at

Ottawa, in order to further advance the cause, moved and strongly argued on the following resolution:

"That in the opinion of the House as the mode of fishing known as steam trawling, prosecuted by ships of different nationalities, on the coast of Canada, outside Canadian waters is destructive to fish life, it is expedient in order to conserve the deep sea fisheries that negotiations be opened with a view to securing an international agreement prohibiting this mode of fishing in such spawning grounds as the waters of the Gulf of St. Lawrence and the banks of the North Atlantic adjacent to the coasts of Canada and Newfoundland."

This was also discussed by other members in the House of Commons, and was passed, and negotiations were entered into with other nations by the Dominion Government with a view to securing international regulations in regard to trawling.

I submit this evidence that the people of this country may know with absolute certainty where the late Liberal Administration stood on this question, and as a final word on the matter, I submit a remark made by the present Minister of Marine and Fisheries which to my mind indicates pretty clearly his view in regard to the action of the late Administration. His remark is as follows:—

"It will therefore be seen that it is impossible to turn to any Government which has taken action to prevent such trawling except in limited inshore areas, and Canada has gone farther than any other by prohibiting trawling in all its territorial waters."

With these facts on record, it cannot be said again that the Liberal Administration or Mr. Sinclair were parties to a combination against the fishermen of Guysboro County with a view to the protection of steam trawlers, and that is my justification in submitting these facts to the House.

THE ATTITUDE OF THE CONSERVATIVE GOVERNMENT

Now, I wish to ask what has been the attitude of the Conservative Party?

MR. GIRROIR: What action has been taken by the Liberal

Administration on the resolution moved by Mr. Sinclair in the House of Commons about two years ago?

MR. TORY: The previous Minister of Marine and Fisheries stated that as far back as 1909 he had brought the subject before the authorities in London and he would proceed with it further. The present Minister has stated that negotiations were entered into, but they had not been successful.

There are the facts on the one side, what are they on the other? What has been the attitude of the Conservative party? The first time that those gentlemen went on record, as far as I know, was contained in the Truro platform, in which they said:

"We sympathize most profoundly with our fishermen in regard to the menace to our shore fisheries arising from the use of steam trawlers. The Dominion Government has failed to take action in this regard, and we condemn the local Government for failure to urge effectively the protection of our fishermen, and express the opinion that an international treaty should be promoted, and such other steps taken as may effectually deal with the question."

Now, I would ask, has that resolution the stamp of sincerity? Was any action taken by the Dominion Government at that time? No one could plead that the men present at the Truro convention did not know of the action of the Federal Government by this order-in-council of September, 1908. I do not think they could plead that no action was taken by the local administration. The local administration had gone on record in a resolution, which forms a part of the amendment of which I speak, previous to the date of the convention, and yet the impression was sent broadcast throughout this country that neither Government had done anything.

This is number one to show where my honorable friends opposite have stood.

Now I come to number two. In the addresses on the resolution moved by Mr. Sinclair in the House of Commons, a strong argument was put up by Mr. Jameson, the representative of the county of Digby, in effect condemning the Liberal Administration for being recreant to their duty, and urging the administration to do more for the fishermen than they had done in the past.

This was in 1911. But I ask my honorable friends, what is Mr. Jameson saying now on this question? A far more serious crisis has arisen than that of 1911, and yet Mr. Jameson is dumb as an oyster. Is his attitude stamped with sincerity or is it not?

During the debate referred to there was another gentleman who had a lot to say about this question, and who said many severe things about the inactivity of the Government. I refer to the gentleman who at that time represented in the Federal Parliament the County of Halifax, Mr. Crosby. What is that gentleman saying now since a Minister of his own party has pronounced upon the question? He too is dumb.

Another gentleman, Mr. Rowlings of Sydney, who had been saying a good deal on the question contributed a letter to the *Guysboro Times* in which he said:

"I think Mr. Sinclair fully realizes that this is one of the most important matters affecting the interests of his constituents, and that it was his duty as their representative to make some move in the direction of relief against the most destructive agency to our valuable fisheries that modern science has yet invented, steam trawling."

Now that the oracle has spoken at Ottawa and pronounced in favor of steam trawling, do we hear anything further from Sydney through the *Guysboro Times* on this subject? Not a word. Mr. Rowlings also is silent.

This is all I desire to say on this part of the subject. The attitudes of the two parties speak for themselves.

THE CASE FOR STEAM TRAWLERS

The case for steam trawling has been set up in this country by three great authorities, and from these we can learn what the case is. I will take them in the order of their comprehensiveness. I would not insinuate for a moment that there was any collusion or even intimate relationship between these gentlemen, but if honorable gentlemen can find any unusual similarity in the plea set up, they can draw their own conclusions.

The first gentleman who made out a case for steam trawling was the Managing Director of the Maritime Fish Corporation,

Mr. Alfred Brittain. He has set forth clearly and very ably his plea for steam trawling, in a letter of December 12th, 1910, to the Minister of Marine and Fisheries. I will not weary the House by reading the whole of that letter unless my honorable friends opposite desire me to do so, but will summarize it. There are three points made.

First, that steam trawling was necessary to furnish the market with a steady supply of fish.

Second, that modern appliances were necessary if we were to compete with outsiders and that consequently Canada would be placed under a disadvantage in the prosecution of the fish business if we did not have steam trawlers.

Third, that the use of steam trawlers had brought about an increase of one-half cent per lb. in the price paid to fishermen for fish.

The next gentleman setting up a plea for steam trawling on this continent is not particularly interested in Canada, but made a statement growing out of the situation which is developing in the United States. I refer to Mr. William A. Garcelon, an Attorney for the Bay State Fisheries Company. That gentleman presented his case for steam trawling in reply to arguments advanced by the fishermen against it. I will also epitomize his statement, which is as follows:

First, steam trawling makes old fashioned fishing unprofitable, and lowers the price of fish. That was one point of divergence between the statement of Mr. Brittain and the statement of Mr. Garcelon. Mr. Brittain talked of increasing the price to the fishermen, while Mr. Garcelon urged that there would be a decrease in the price of fish to the consumer.

Second, Mr. Garcelon argued that the use of steam trawlers would lessen the danger to the men engaged in the fishing business. There might be something in that. I am willing to admit everything that can be truthfully said in favor of steam trawling. I have animosity only in so far as it interferes with the legitimate business of our fishermen.

Third, Mr. Garcelon further argued that steam trawling does not deplete the fishing ground, and in support of that contention he quoted a number of authorities: "Fecundity of Fish", by

Huxley; "Resources of the Sea", by the Scottish Board of Fisheries; Dr. Brown Goode of the United States Fisheries Department on fecundity of fish; Mr. Shaw LeFevre, Member of Royal British Commission and the London Economist. A terrible array of wise people, all of whom he claims support his contention. You might therefore conclude that this phase of the question was settled for all time.

Fourth, Mr. Garcelon made the further point that scientific men were opposed to restriction. It was a scientific evolution in the fishing industry, and the prejudices of the fishermen were baseless and foolish.

The foregoing is the case made out by two authorities, one representing Canada, and the other representing the United States, but there is a greater authority yet to quote; one to whose utterances we are obliged to attach greater importance, and whose statements carry greater weight in regard to the differences between the trawlers and the fishermen. I refer to the statements the Honorable Minister of Marine and Fisheries made in the House of Commons at Ottawa on the 5th of February last in regard to this question. I shall quote his own words from Hansard so that there will be no misunderstanding. The situation as far as the fishermen are concerned, it seemed to me, was bad enough without this statement. I am not speaking from a partizan standpoint, but will try to get at the facts as they are. The statement is that of a man who in a large measure holds in his hands the destinies of the whole fishing industry of this country, and will be found on page 2513 of Hansard, Feb. 5, 1912. It reads as follows:—

"MR. HAZEN: In consequence of the motion of the hon. member for Guysboro, Mr. Sinclair, I had a little statement prepared which perhaps may be of some benefit with regard to the effects of steam trawling in different parts of the world. The correspondence in the hands of the Government is of a confidential character and consequently it would be impossible to lay it before the House without the consent of the British Government. If there be any correspondence which is not of that character I should have no objection to bringing it down, but I am informed by my department that there is

none. This question as to the effect of steam trawling on the fisheries is a debatable one. As hon. members are aware, regulations have been passed under which steam trawling is prohibited within the three mile limit. Outside that limit the matter is one for international consideration. The statement is as follows:—

“Whether or not steam trawling is an unduly destructive method of fishing, is a question on which there always has been a strong division of opinion on the European side of the ocean. As it is revolutionary in its character, this was to be expected, but notwithstanding the very strong opposition that has been exerted against it, steam trawling has been continually developing and is rapidly replacing other modes of catching demersal fishes.

“The arguments used against steam trawling are mainly:

“(a) The destruction of set lines or hand trawls, by being carried away by the net or hauling ropes attached to it, from the steamer;

“(b) The ruin of the spawning grounds;

“(c) The capture of great quantities of immature fish, which being useless for market, are thrown away.

“So far as (a) is concerned, there is no question but that the fishermen have much to fear if their gear is set in the track of steam trawlers, and it was to afford them all possible protection that steam trawling has been prohibited within the three mile limit all round our coasts. On many parts of the coast the inshore fishermen go out even ten or twelve miles from land, and there the trawlers are free to act; but while the fishermen are apprehensive, information of the carrying away of their gear by the trawlers that have been operating from Canada, has never reached the Department. It of course may be that they will not take the risk of setting their hand trawls when they know that steam trawlers are operating in the locality.

“With reference to (b) there is much misapprehension, as none of the fish caught by trawlers spawn at the bottom of the ocean. The eggs of those fish are lighter than the water

and float on or near the surface, so that steam trawling really does not injure the spawning areas.

"With regard to (c) it does not pay to catch unmarketable fish. There are, here and there around the coast, areas which might be called 'nurseries' to which young fish resort in large numbers, and steam trawling at such places would doubtless result in the capture of great quantities of immature fish; but as it is marketable fish that are being sought, these areas would be avoided by the trawling skippers when once located.

"While it is a fact that owing to the innovation of steam trawling, whole fishing villages have been wiped out along the Scottish shores, this does not indicate that fewer people are now engaged in connection with the fisheries than formerly. What has happened is that owing to the much larger and quicker landings of fish, it has been found more paying to handle them from convenient centres. Hence many of these villagers have removed to the large ports from which the trawlers operate, and though perhaps not engaged in fishing from there, are employed in handling the fish, in preparing them for and sending them off to market.

"While steam trawling tends to revolutionize fishing, and to replace existing methods, an unbiased examination of its results does not seem to leave room for much fear that it will result in depletion of the fisheries. In the North Sea, for instance, over 2,000 such vessels operate from Great Britain's ports alone, and not for seven or eight months in the year, but for the whole twelve. This has been going on for years; but there is no evidence of depletion of the yield. On the contrary, an ever increasing quantity is being taken. It is a fact that in some years, for causes which are generally conceded to be natural, but which are not so far explainable, there is a decrease; but possibly in the very next, the yield is bigger than ever. It will be urged that in order to keep up the supply, the trawlers are continually extending the scope of their operations. With the increasing size of steam trawlers, the perfecting of their gear, and large use of ice, it has become possible for them to go much farther from port than formerly, and for a number of years past, these vessels have

been operating as far south as the coast of Morocco, as far north as the White Sea, and as far west as Iceland; but ever since 1905, at the request of the International Council for the Exploration of the Sea, the statistics have been collected to show the water areas from which the fish are taken, and the statement as to the yield in the North Sea is made in the light of these statistics. This sea continues to supply about 60% of the total quantity of fish taken by the European trawlers.

"It is somewhat remarkable how history repeats itself. In the fifties, hand trawling began to be introduced. Before that time, the fish were caught with hand lines, or long lines as they are sometimes called. The line fishermen protested against hand trawling so strongly that in 1862 the Fisheries Committee of the then Colonial Government, expressed regret that remonstrances, through Great Britain to the French Government, against hand trawling, were unavailing, 'and recommended that representations be made to the United States as soon as peace was restored to the nation, that this mode of fishing demanded their co-operation to abolish it.'

"A report submitted to the Newfoundland House in 1862 attributed the falling off in the Newfoundland fisheries 'during three or four years past, to the system adopted by the French fishermen of using "bultows" (hand trawls) on the banks.' It was considered by these trawls the large spawn fish would be taken, thus preventing propagation. Indeed so strong was the feeling on some parts of the coast of Canada, that such method of fishing was prohibited in territorial waters for many years; but now this method of fishing has become general on this side of the Atlantic, and from the fishermen using it, come the objections to steam trawling.

"Apart from the catching power of steam trawlers, they can be operated in practically all weathers, and thus assure a steady supply. In the past the trouble has been all along the Atlantic seaboard that in times of good weather, there was plenty of fish but in rough weather the demand could not be filled and if a big trade in fresh fish, which is by far the most remunerative one, is to be built up a steady supply of fish must be available.

"It is not a fact that the use of the steam trawlers—two in number—that have been operating in Canada for the past few years has lowered the price of fish to the fisherman or has in any way interfered with their markets. Indeed the opposite is the case. Prices have been better, and the work of the trawlers has enabled the supplying of the markets, when the inshore boats could not get out.

"It is realized, however, that if many steam trawlers are shortly placed in commission on the Canadian coasts, the hand trawl and long line fishermen will find it hard to compete, and anything that the Government can do to protect them, it is anxious to do. It must not be forgotten, however, that there are great obstacles in the way of an international agreement for the abolition of trawling, or even preventing their use in extensive areas. Steam trawling has already been firmly established in the United States. Six such vessels are now operating continuously from Boston, and some four or six more are being built for work from that port. Every year varying numbers of steam trawlers come over from France—last year nine—and operate from St. Pierre as a base. Since the abolition of the treaty rights of France on the coast of Newfoundland, French vessels have no reliable source of bait, and if trawling were given up, that country would largely have to go out of fishing on this side of the Atlantic.

"Again, it cannot be said with assurance that trawling is unduly destructive. Ever since 1904 the International Council for the Exploration of the Sea, which is made up of some of the best scientific authorities of Great Britain, Germany, Holland, Belgium, Denmark, Russia, Norway and Sweden, has been investigating the matter, but has been unable to agree to advise against such method of fishing. It will therefore be seen that it is impossible to turn to any Government which has taken action to prevent such trawling except in limited inshore areas, and Canada has gone farther than any other in prohibiting trawling in all its territorial waters.

"The house will see the very great difficulties in the way of this country getting any agreement entered into with other countries for the prevention of steam trawling in the inter-

national waters. It is a firmly established institution in Great Britain, in the United States, and in other countries and under these circumstances it will be very difficult for Canada standing practically alone in regard to the matter to secure an international arrangement under which trawling would be prevented in international waters outside the three mile limit. It is being prevented within the three mile limit which is the most we can do of ourselves. Negotiations have been entered into with a view of bringing about some international arrangements, but so far these negotiations have not been successful. If possible a conference will certainly be brought about, but I do not speak with any very great hope of this."

The substance of this statement falls into two parts.

First, the case for the fishermen is set up, and then the Minister proceeds to knock the case to pieces, without waiting for the fishermen to say a word, or even for the interests to say a word.

Second, the statement in substance is a plea for steam trawlers; if it is not then I do not understand the English language.

I do not wish to make this a party question, but someone has informed me that the hon. member for Lunenburg is going to Ottawa with a delegation in connection with this steam trawling matter. I advise him not to go there thinking that everything is rosy. This statement of the Minister of Marine and Fisheries indicates better than anything I can say the condition with which he will be confronted when he arrives in Ottawa.

Now, I submit this statement for the consideration of hon. members. The question which you have to decide is not that of condemning the present Minister of Marine and Fisheries, unless he was untruthful. If what Mr. Hazen said in that statement is the truth, then I would say to Hon. gentlemen tonight that the fishing industry, as carried on by the net and line fishermen, is simply doomed. If that statement is true, so far as steam trawling is concerned, where are our shore fishermen going to come in? I feel now that I am getting on ground where the hon. member from Lunenburg and myself can agree. I am of opinion that when the full significance of the statement I have just read

gets sifted through the brains of the fishermen, even in Lunenburg, my hon. friend will not merely have to go to Ottawa, but to the woods as well.

In order that we may grip the significance of that statement, I would try to analyze it. It is important that we know what the position of the hon. minister is. If he is standing with the big interests in this matter, what chance is there for the fishermen? If you have a combine of the big interests with the Government; the fishermen are doomed, and nothing my hon. friend or myself can say or do can rescue them. The statement analyzed is as follows:—

First, that depletion of the fishing ground is not proved; and that apparently there is nothing to fear, as there is actually an increase in the quantity of fish taken.

Second, the International Council could not agree to recommend against this method of catching fish. The hon. member for Lunenburg and myself are going to take issue with the Minister on that point. If my hon. friend is going to Ottawa, he will have to examine a few more documents before he will be able to convince the Minister of Marine and Fisheries that he is in the wrong. I do not believe the case made out today sufficient. I have a great admiration for my hon. friend from Lunenburg, and would not reflect upon his ability, but I do not think he has grasped the situation in its full significance.

Third, the trawlers are rapidly developing and replacing other modes of fishing. As far as England is concerned, that is true.

Fourth, the Department had no evidence of the destruction of gear in Canadian waters. I am not going to comment on that at present.

Fifth, the Minister intimated that the spawning grounds are not disturbed.

Sixth, immature fish are not taken. To do so would be unprofitable.

Seventh, fishing villages might be wiped out, but that did not indicate less men employed.

Eighth, steam trawling tended to revolutionize fishing, and replace existing methods.

Ninth, the same arguments had been used against line trawls in the fifties as are now being used against steam trawls.

Tenth, the use of steam trawls ensured a steady supply in bad weather.

Eleventh, it had not lowered the price of fish or interfered with the market; on the contrary, it had increased the price.

Twelfth, the hand trawl would find it hard to compete.

Thirteenth, and finally that there were great obstacles in preventing the use of the trawler. That is a summary of the case as I read it, as I have gleaned it from the paper I have read.

Now, what are the conclusions to be drawn from that statement? Are they favorable to steam trawling or are they not? I leave it to the good sense of the honorable gentlemen present.

I have now outlined the case for the trawlers as presented by the three great authorities who have pronounced upon it. If there was a serious disagreement between these men, two of whom represented the interests of the trawlers, and the third the Minister of Marine and Fisheries, I cannot see it. The arguments were all along the same lines, and they were all favorable to steam trawlers.

THE CASE FOR THE FISHERMEN

I now propose to take up the question from the standpoint of the fishermen. I admit that time will not permit me to deal with all the questions raised by the advocates of steam trawling but I shall attempt to deal with a few of the essential questions growing out of the foregoing, and which form the basis of the fishermen's case against steam trawling.

Situated as we are in Halifax, the material for making out a strong case against the trawlers is not available, and I have to apologize for the meagreness of the evidence which I have to adduce. I have been hampered in getting at the statistics which are kept so fully in both England and Scotland, but I have been able to gain access to some information and authorities, from which I propose to submit some evidence to the House.

THE DEPLETION OF FISH

First, with regard to the depletion of fish, it was stated by the steam trawling interests that there was no depletion of fish as the result of this method of fishing. Now on this point, I take direct issue, and would say that with respect to inshore waters and certain kinds of fish there is indisputable evidence of depletion.

It was held by Mr. Hazen that this is a question upon which scientists differ. In this connection, I beg to submit the findings of the Select Committee on Sea Fisheries in 1893, summarized for the Fishery Committee of 1908, which reads as follows:—

“It was found that the professional and trade evidence with regard to the decrease in the quantity and size of fish caught from the North Sea was conflicting. One section held that there was a decided diminution in the average size of flat fish caught in the North Sea, especially plaice, and that the total quantity of fish landed had only been maintained by a large increase in the catching power. The witnesses were chiefly concerned with North Sea trawling, but included Mr. Berrington of the Fisheries Department of the Board of Trade, and officials of the Lancashire Sea Fisheries Committee. The other section held that there was little or no decrease in either quantity or size of the fish caught. The witnesses who held this view consisted mainly of salesmen and owners connected with sailing trawling, from Lowestoft, Ramsgate, Brixham and Plymouth. The views of the scientific witnesses agreed in general with those of the former section.

“The naturalists of the Marine Biological Association, Messrs. Holt & Calderwood, expressed a belief in a very decided depletion of the British North Sea Fisheries.”

It is important to note the character of the evidence submitted. If it was from the trade, it was in favor of steam trawling. If it was from the scientists, it was against it.

In giving evidence before the Committee in 1908, Dr. A. T. Masterman, Inspector of fisheries under the Board of Agriculture and Fisheries for England and Wales, summed up the findings of the Committee of 1900 in the following words:—

“If I may call attention to the summary of the report of the Select Committee on the Sea Fisheries Bill of 1900, you will

notice that the Committee came to the decision that it was not expedient to pass the bill without further enquiry and investigation, and that they put their conclusions under three heads:

(1) That it is proved beyond doubt that there is a very serious diminution in the supply of certain kinds of flat fish, particularly in the North Sea;

(2) That in default of a remedy the consequence to the fishing industry of the diminished supply of flat fish will at no very distant date be disastrous, and

(3) That one of the causes of this diminution of supply is undoubtedly the destruction of immature fish."

That was practically the scientific position at the time of the commencement of the researches. Then they urged in conclusion:

"(1) That the subject of the diminution of the fish supply is a very pressing one.

(2) That no effort ought to be spared.—

(a) To arrange for international treatment of the subject generally, and

(b) To provide for the adequate equipment of the Government Departments in charge of the subject so that they may eventually pursue scientific investigations, and ascertain with efficiency and precision what has been done either in the way of scientific research, or in the way of practical legislation by other inquirers and by other countries."

I next propose to submit some evidence taken from a gentleman interested in steam trawling, in order that we may get a view from all sides. Among those who gave evidence before the Fishery Investigation Committee of Great Britain of 1908, was Mr. J. J. Neale, member of the firm of Messrs. Neal & West, steam trawler owners, of Cardiff, England. I quote the following from his evidence given to that committee:

"SIR REGINALD MCLEOD: Q. I would like to ask whether in your opinion there is any sign of diminution in the best class of food fishes? Ans. Yes, but it soon increases again. If a boat finds that it is remunerative they take on other fishing. If they find that there are not so many soles and turbot they go in for hake and that gives the fish a chance of

breeding again. The strike, short though it was to the North Sea, helped the fishes considerably. They unquestionably did decrease and they have decreased very largely but they soon recover. There are more fish being landed all the time now than ever but that is due largely to the immense catching power.

Q. The catching power has increased very much as compared with ten years ago? Ans. Immensely.

Q. Suppose you were fishing with the same catching power as ten years ago, is it your opinion that the catch would be equally satisfactory now as then? Ans. It would be better. We could catch more fish in proportion now if the fish were there.

THE CHAIRMAN: The whole point of Sir Reginald McLeod's question is, given the existing quantity of fish, are there so many more or less fish that you would catch more or less with a fixed catching power? Ans. I should say there are less near the British coast. We are going farther and catching more.

SIR REGINALD McLEOD: Q. That is, the quantity of fish near the British coast has decreased in the last ten years?

Ans. I should say unquestionably.

Q. Owing to the intensity of the fishing? Ans. Yes."

I now propose to submit the evidence of a scientific witness on this point, namely: that of Dr. T. W. Fulton, Scientific Superintendent of the Fishery Board for Scotland. Being questioned on this point of the depletion of fish, he gave evidence as follows:—

"MR. HEWBY: Q. Do you regard the decrease in the North Sea as being established, or only as being a probable conclusion? Ans. Personally I am quite certain about it for the following reasons. In the first place the fishermen who are chiefly concerned have stated it for twenty years. Not a rival class of fishermen. It is not a case of line fishermen saying that trawling is destroying the grounds. It is a case of trawlers saying that trawling is destroying the grounds, and they appeal to be protected from themselves. In the second place the Government have appointed various

commissions and committees which have made elaborate enquiries, called hundreds of witnesses before them and came to strong conclusions. I have read the evidence and have been surprised that the conclusions were not in some instances stronger. In the third place the statistics we have of the investigations so far support the view that the trawlers are right and there is a decrease going on but I do not think we yet have the information to give it definitely in figures. I do not know whether you saw the English report of last year; it showed a very great falling off in the North Sea."

"We are going farther and catching more," is the statement of a man engaged in the business, called to give evidence before the Committee on Fishery Investigation of 1908, the last Committee, as far as I know, appointed to investigate the matter, except the International Committee now investigating. It has been stated that Scotland has been the pioneer in all the scientific investigation of the fisheries, and I have already quoted the evidence of a man of great eminence, Dr. T. W. Fulton, the scientific superintendent of the Fishery Board for Scotland. I would not be afraid to place the testimony of that gentleman against the statements of Mr. Brittain or Mr. Garcelon, or even the Minister of Marine and Fisheries. I trust my hon. friend will go to Ottawa armed with the evidence given by Dr. Fulton.

The statements I have quoted deal with the question of the depletion of fish. Apart from that I have statistics to which I will not refer further than to state that taking the quantities of demersal fish caught in the North Sea by steam trawlers and landed in England and Wales during the years 1907, 1908 and 1909, there has been a steady decrease, while on the other hand there has been an increase in the number and tonnage of the trawlers. To be fair, however, I must say that it is claimed as an offset that although the trawlers are greater in number, and greater in tonnage, and undoubtedly better equipped, they were absent from port a less total number of days. How much importance can be attached to that, I do not know. To my mind, there is irrefutable evidence that in certain grounds practical annihilation of the fish has been brought about. On the whole south portion of the North Sea, there are great areas

Now we come to the fifth and last period in the history of railway construction, that from 1896 to the present time, and I regard this as the great period of railroad construction in the Province. Prior to this period the Province had been saddled with a considerable amount of debt on account of the roads constructed, which offset somewhat the increasing revenue. When Mr. Fielding started in the development of his railway policy, the revenue of the Province, as has already been stated, was only \$541,000. In 1896 it had increased to \$841,000, so that when we came to the period under consideration we had a considerably larger revenue, but to offset this there was an indebtedness incurred on account of roads, bridges and railways. Now Mr. Murray faced the situation as it was at that time. Following out the same policy which had never been changed from the time of Confederation down to the present day, he sought to secure the construction of railways by means of companies, which was the proper method under the circumstances. I have read the statement made by a member of this House that the Liberal Government had never built a mile of railway. It is true that the policy of this Government had been to secure the building of railways by companies, but the companies were aided, encouraged and promoted by the Provincial Administration. In this period there was built by companies under provincial aid, and with aid from the Federal Treasury, 415 miles of road, involving an outlay of \$5,159,374, on the part of the Province, and an outlay of \$2,359,374.75 as Federal subsidies. There was no Federal construction except the railways undertaken in the Province which brought about the discussion today. These additional roads which were provided for had a mileage amounting to 213 miles, which when completed would make a total of 628 miles for the period. The approximate cost of the projected roads would be \$6,611,000. This summary of the history of railway construction in the Province of Nova Scotia since Confederation, brings us to the net result as shown by the table following.

I have taken the trouble to ascertain the railway mileage in each county, the number of square miles of area embraced in each county, and the number of miles of railway in proportion

neers and Shipbuilders, which I would like to read to the House. It is as follows:—

“I have told you of the difficulties and opposition between the several branches of fishermen. The trawler resented the opposition of the drifter. Some of you remember the difficulties we were in. We dared not shoot our gears scarcely. The enemy told us we must not shoot our gears by night, though there was nothing in the law to prevent us. The Belgian people invented this instrument with edges as sharp as a knife, and which would cut a net to pièces. The depredations were enormous until the Government came to the rescue. A code of laws was issued. The herring men were ordered to use distinguishing lights, and were told that the seas did not belong to them, and if trawlers continued depredations with an instrument of this sort, and loss was sustained, imprisonment followed. In 1882 the North Sea Fisheries Convention was established, and this was then made an illegal instrument. Any country having rights on the North Sea, could send their gunboats, assess the damage, and deal with the matter. It was this instrument which brought about the Fisheries’ Convention to a very large extent.”

That Convention covered all the countries on the North Sea. The first Convention was with France in 1839, but as the trouble increased, it was necessary to call a convention of all the powers bordering on that Sea. This convention of 1882 defined territorial waters, it forbade trawl fishing in certain waters while herring and mackerel fishing were going on, it provided that trawlers should keep away three miles from boats engaged in fishing for herring or mackerel, and went so far as to provide that where trawling was going on and herring and mackerel fishermen began fishing there, that the trawlers should leave and get away three miles from them.

Now these are the facts with regard to the fishermen in the Old Country. What are the conditions in Canada? Do I need to give evidence of the destruction of the fishermen’s gear to hon. gentlemen familiar with the methods of fishing in this country? The pursuit of fishing here is carried on in the face of many vicissitudes. Their nets and trawls are set in the water

from twelve to fifteen miles out from the shore along the whole coast from Cape Sable to Scatterie, and if a powerful steamer having a large net attached to it by chains and powerful wire cables proceeds up and down the coast, is it reasonable to suppose that it can do so without destroying gear? The thing is preposterous. The fishermen of this Province with regard to the destruction of their gear stand in a worse position than the fishermen of Europe. In Europe there are regulations by which the fishermen are protected, but on this side of the Atlantic, the whole coast outside the three-mile limit is exposed, and if steam trawlers cannot be prohibited altogether, it is most urgent that some regulations shall be set in motion to check their operations, or the gear of the fishermen will be destroyed, and they will be put out of business.

THE DESTRUCTION OF IMMATURE FISH

Third, with regard to the destruction of immature fish, I desire to take issue with the authorities favorable to steam trawling with regard to the question as to whether it is a wasteful method of fishing on account of the destruction of immature fish. This question has been dealt with by the Minister of Marine and Fisheries in the following words:

"With regard to (c) (that is, the capture of great quantities of immature fish, which being useless for the market are thrown away) it does not pay to catch unmarketable fish. There are here and there around the coast areas which might be called 'nurseries' to which young fish resort in large number, and steam trawling at such places would doubtless result in the capture of great quantities of immature fish, but as it is marketable fish that are being sought, these areas would be avoided by the Trawling skippers when once located."

Now I take direct issue with the Minister of Marine and Fisheries on this point. I admit that a man sent out from Ottawa, a Mr. Halkett, I believe, went out on a steam trawler and reported that no small fish were taken, but if the facts were inquired into, I believe it would be found that a large quantity of small fish was taken when fishing with steam trawlers. In

support of this I will read a few words from the evidence given by Mr. T. Collins, Harbour Master, at Eyemouth, before the Committee on Fishery Investigation of 1908:

"Q. You spoke about immature fish; you say that on the large trawlers you believe that the small fish are thrown overboard, but it is too late, they are dead? Ans. Oh, yes, there is no man can estimate the damage done to the fishery on that account. The destruction of the sea bottom is bad but this is equally harmful. The dead fish thrown overboard are poisoning the grounds."

On this point I will draw from the knowledge of Mr. J. J. Neale, steam trawl owner, whom I quoted before. He has also given evidence in connection with the point under consideration, as follows:

"Q. You are aware of course when you talk of landing fish at Fleetwood, Liverpool, Swansea and so on, that there are officers at each of these ports who take statistics with regard to the various catches? Ans. Yes, but a boat might have five tons of marketable fish caught on a trip and ten tons of small, unmarketable fish which is shovelled overboard. That would give a lot of information but that fish will never come to port because it would be useless and so it is shovelled overboard.

Q. How much do you say, five tons? Ans. It may be five tons of marketable fish and ten tons of fry and small useless fish.

Q. Double as much unmarketable as marketable? Ans. Often more. Often much less of course but often more according to what our men report to us.

Q. You spoke of the destruction of the fish that are thrown overboard from the trawl, being sometimes twice as great as the quantity of marketable fish caught. As I understand it, these small plaice and other fish that are brought up in the trawl are practically dead when you get them on board, so that throwing them back into the sea is of no use? Ans. It is quite useless."

I will conclude the evidence on this point with a word from the Scientific Superintendent of the Scottish Fishery Board:

"In the course of the year 1905 the results of 91 hauls of the large otter trawl in the closed waters were recorded, of which 75 were taken in the Moray Firth, 14 in Aberdeen Bay, and two in Sandside Bay.

"The aggregate number of fishes of all kinds caught in the recorded hauls was 65,525, and of these 44,538, or 70% were marketable."

Now, with such evidence before us, can there be the shadow of a doubt that quantities of immature fish are destroyed in connection with steam trawling? It is urged that a large quantity of small fish is destroyed in connection with line fishing. I dare say this is true, but I believe in comparison, and especially in view of the evidences before us, that the quantity of small fish destroyed with ordinary lines, as compared with that destroyed by steam trawlers, is insignificant. So far as the argument of the Honourable Minister of Marine and Fisheries on this point is concerned, the hon. member for Lunenburg will not have much difficulty of disposing of it at Ottawa.

DISTURBANCE OF SPAWNING GROUNDS

Fourth, with regard to the disturbance of the spawning grounds, I am aware that it is more difficult to conclusively prove the disturbance of the spawning ground of our fisheries by the use of steam trawlers, than to prove some of the other points we are considering. I have, however, some evidence before me in respect to that phase of the question, but have been unable to search any scientific work, or to find anything that completely satisfies my mind. I have the evidence of Mr. Nickerson, to whom my hon. friend from Lunenburg has referred so flatteringly, and while I do not know whether Mr. Nickerson can be called a scientific expert, I propose to submit his statement, which is as follows:

"It stands to reason that such a ponderous machine, dragging over the bottom like a harrow over the field, would spoil both feeding and breeding grounds, for as the natural history class well knows, the spawn of cod and haddock is deposited or laid down and glued into a mass by the milt,

not scattered broadcast over the briny plain, and there is the strongest kind of direct evidence against the beam-trawl."

I submit that statement for what it is worth. I would only add that so far as certain classes of fish are concerned, I was, when a boy, a fisherman, and know that they gathered together on banks in great masses and spawned. Whether it was the fact with cod and haddock I do not know, but if true of demersal fish, the dragging of a steam trawl over a spawning ground, would have a destructive and disturbing effect upon it.

I shall only take up one more point on this occasion in my plea for the fishermen, apart from the remedies which I propose to suggest. It is this:

DESTRUCTION OF VESTED INTERESTS

Fifth, steam trawling will destroy the avocation and vested interests of net and line fishermen and fish companies. How is this matter treated by the Honorable Minister? He put it aside with a brush of his hand; as if the disorganization of the whole social and business life of the fishing population of Nova Scotia was a matter of small concern. His words are as follows:

"While it is a fact that owing to the innovation of steam trawling, whole fishing villages have been wiped out along the Scottish shores, this does not indicate that fewer people are now engaged in connection with the fisheries than formerly. What has happened is owing to the much larger and quicker landings of fish, it has been found more paying to handle them from convenient centres. Hence, many of these villagers have moved to the large ports from which the trawlers operate, and although perhaps not engaged in fishing from there, are employed in handling the fish, in preparing them for and sending them off to the market."

That was a pretty cool statement with regard to the fishing interests of this country. When you take into account the fact that we have 90,000 fishermen in this country, 17 millions of capital invested in this industry, over forty thousand boats and vessels engaged in the industry, and producing over 30 million dollars worth of fish, and perhaps one-third of the whole invest-

ment in Nova Scotia; when you consider that this new departure if not interfered with in any way means that this investment will be ultimately wiped out, and these families along our coast, from Cape Sable to Scatterie, removed from their little villages by a wave of the hand of the Minister of Marine and Fisheries, to be deported to great cities to be the servants of great corporations, this matter assumes an importance which should cause this honorable body to give the problem serious consideration.

Are we going to have another "Acadian expulsion" of the French fishermen of Guysboro County? Are we going to decimate this whole coast and gather the inhabitants into the paws of the big corporations? Are we going to stand for that in Nova Scotia? I do not think we are. It may be true, as the Minister stated, that there are as many engaged in the fishing business as heretofore, but I desire to tell him that out of the 44,000 fishermen engaged in fishing in England and Wales, over 21,000 are gathered together in the five cities of Berwick-on-Tweed, Hull, Grimsby, Yarmouth, Lowestoft, Fowey and Fleetwood. These are the facts we are being called upon to face.

Even if we cannot stop the steam trawling entirely, surely there is some way to adjust the matter between the adverse interests so that the people who have established little homes on the shores of Nova Scotia will not be gathered in by the great companies. Is it proposed that the whole fishing population of Guysboro shall be removed to Halifax? I do not desire, neither do the fishermen, such a thing to take place. I look upon it as one of the most serious matters that has confronted this country for some time. I do not think I can better conclude this point than by quoting from an article which appeared in the *Toronto Globe*, on January 18, last, dealing with this very matter:

"The days of fishing as an independent and open industry are passing in Britain. A big public meeting of fishermen at Great Yarmouth has revealed the change by an appeal for Government aid. The villages are decaying and disappearing, and their people are moving to the cities. . . .

"The meeting at Great Yarmouth decided to appeal to the Government for systematic temporary aid in equipping sailboats with steam and gasoline engines that the independent

fishermen might compete with the big fishing corporations. It was pointed out that the sturdy, self-reliant adventurous manhood on which Britain's naval supremacy ultimately rests would disappear under the new conditions. The sanctity of the Sabbath, too, a vital element in the life and character of the Scottish fishing population, was disregarded by the vessels operating in the freedom of the open sea and under orders from men eager chiefly for financial returns. Every feature of the change was regarded with disfavor."

In conclusion I now ask, and ask in all seriousness, are there no remedies for this impending trouble? Is there no hope of relief, as the honorable minister suggests? Surely there are some remedies which a serious and intelligent Government can apply to this state of things.

POSSIBLE REMEDIES

First. The most effective remedy would be that of total prohibition of steam trawling, and I concur in the view of the minister that this can only be brought about by international agreement. I however realize that as far as European nations are concerned, and especially Great Britain, there are many difficulties in the way of the total prohibition of steam trawlers in European waters:

(a) Because the whole system of catching demersal fish has changed to the steam trawling methods. Ninety per cent of demersal fish landed on the east coast of England is being landed by steam trawlers, so that their system is steam trawling as completely as our system is net and line fishing, and any change in their system would upset their business just as the change in our system will upset our business.

(b) The amount of capital invested in steam trawling is now very great. In Great Britain alone, there is over 55 million dollars invested in steam trawling vessels alone.

(c) Any change in their system would no doubt affect very seriously the food supply of the industrial centres of Great Britain.

(d) The abolition of steam trawling would no doubt affect very adversely the earnings of railways. Of the total of over one million tons of fish produced in Great Britain last year, over 700,000 tons were carried by railways, increasing their earnings by an enormous amount.

(e) The damage has already been done, and I presume that the fishing population is becoming accustomed to the new order of things.

Second, failing an international agreement for the prohibition of steam trawling in international waters in general, I would suggest an international agreement between the United States, Canada and Newfoundland for prohibiting all steam trawlers on all fishing areas connected with these countries. It seems to me possible that as European nations would be affected very slightly by such an arrangement, that a concurrence of these powers could be obtained if such an arrangement was first agreed to by the countries mentioned. Should European countries refuse, it is possible that the refusal of coal to their steamers and the right to land the fish might prevent their carrying on the business successfully in our waters. I admit that in this last suggestion there are legal and international difficulties which are of a very serious character, but which I need not go into here.

Third, failing both of the foregoing remedies, then I would suggest an international arrangement by which the Territorial waters of Canada, United States and Newfoundland would be extended to fifteen miles, and trawling prohibited within this area. A closed area of 10 miles has already been suggested around the borders of the North Sea, and the fifteen mile limit which I am now suggesting, I believe would be concurred in by European nations, provided Canada, United States and Newfoundland can be got to agree to it. Special regulations, however, would have to be made in that case with regard to the line fishermen on the banks, as the increased prohibited area on the coast would of course not cover the case of our fishermen on the banks.

Now this is all I have to say on the question at the present time, and in closing, I wish to thank the House for the kind manner in which they have listened to my remarks. I hope that when the delegates get to Ottawa, the words which I have uttered

may assist them in getting the Government to undertake some definite line of policy with regard to the whole matter.

It may be that, after all, the Minister of Marine and Fisheries is only a backslider, and that when the eloquence of my hon. friend from Lunenburg is applied to his case, he may become repentant, and do what he can to protect the interests of the fishermen of Nova Scotia.

I now have pleasure in moving concurrence in the amendment seconded by my hon. friend from Richmond.

THE ROAD BILL

April 17th, 1912

MR. SPEAKER:

I desire to make a few remarks in regard to this subject, the discussion of which has taken a very wide range. Had it not been for one or two observations made in connection with the discussion, I should have refrained altogether from giving my views in regard to the matter. I thought after the explicit, honest, and fair statement made by the hon. Leader of the Government on the subject, there was really nothing further that any intelligent man should require to be said in favor of the Bill before us. But it seems that it is not a question of whether this Bill is wise or unwise, but rather a question of hon. gentlemen opposite getting their views before the public. Well, there is some advantage in that. It has the advantage of enabling hon. members on this side of the House to decipher in a measure at least where the unity of purpose amongst hon. members opposite is, and where it is not. There were one or two points on which there was a decided agreement, but on many points there was a decided disagreement. For myself I find it hard to reconcile pre-election statements of the hon. gentleman opposite with statements made here tonight. That is the first matter in regard to which I desire to direct the attention of the House.

In connection with the campaign conducted in June last, we had a pamphlet entitled "Facts for the People."

MR. MARGESON. Hear! Hear!

MR. TORY. My hon. friend exclaims, "Hear! Hear!"

MR. BISSETT. Fictions for the people.

MR. TORY. Fictions for the people is a much better term. One of the chief arguments in this piece of fiction was that the Liberal administration of the Province had not been sufficiently generous in connection with the road policy. The substance of the statement in connection with roads was that ungenerous

treatment had been extended to the people in this matter, that they had not been given the portion of the revenue they should have been given, and if the people would only send the Conservatives to manage the affairs of the Province they would assure them of a much larger supply of money for the roads, and much more generous treatment than under the Murray administration. One paragraph relating to roads might be quoted, I think, with advantage from this piece of fiction. It is as follows:—

“The Liberal-Conservative party on its return to power will in the many reforms needed in the affairs of the Province give its first attention to the road service. It will see that in addition to any question of borrowing, a just proportion of the annual revenues of the Province are devoted to its road and bridge service. It has been pointed out that under the last Liberal-Conservative Government in this Province, nearly one third of its revenues were devoted to this purpose, while even in 1908 and 1909, with an election coming on, the expenditure from revenue on roads and bridges was in 1909 less than one-seventh, and in 1908 less than one-twelfth. The Liberal-Conservative party is pledged to eliminate political purposes from consideration in the expenditure of road moneys, and no reform is more needed or more important. The conditions of every part of the Province must be considered in the carrying out of the Liberal-Conservative party's progressive policy for the establishment of GOOD PERMANENT ROADS. A Liberal-Conservative Government may safely be trusted to establish a forward policy as to our roads in the best interests of the people.”

Now that was the position hon. gentlemen opposite took before the election, but now it is quite a different story. When this Government seeks to implement the amount of money available for road expenditure we are asked to wait a while, to wait until Mr. Borden gets ready to help us. Good permanent roads, before election, now wait for Mr. Borden. The measure before the House follows up a distinctly understood plan. It follows up the Bill of last year, which provided for an investigation, which was to be followed by capital expenditure on our roads. The purpose of the Bill now before the House,

is in substance to take over all the smaller bridge structures, on the principal roads of the Province, build them of permanent material, and charge the expenditure to capital account in the same manner as the expenditure for the larger bridges has been charged to capital account. These smaller structures on all roads are now using about 40 p.c. of the appropriation for roads, and as a consequence of the Government specially providing for these out of capital expenditure, we will have a much larger amount of funds for ordinary road expenditure. The interest on this capital expenditure can easily be borne out of the increased revenue, derived from the new revenue Bill, without impairing any of the services now being provided for out of ordinary revenue. The hon. member for Cape Breton, Mr. Butts, declares that the roads in his county are in a terribly bad condition, and yet he proposes to oppose this Bill to provide money, to put them in better condition, preferring to wait until Mr. Borden is ready to supplement the revenues of this Province, by providing special grants for our roads.

POINTS OF AGREEMENT

I now desire to direct the attention of the House, to one special point of agreement, not only amongst the hon. members opposite who compose this House tonight, but with some of their predecessors. If you watch carefully the policies of men representing different political parties, and if you observe the trend of their statements you will sooner or later see cropping out the thing which distinguishes them as a party, however much they may desire to hide it. What point of agreement is there connecting some of the hon. gentlemen opposite tonight with other hon. gentlemen away back in the history of this country. What was it that distinguished the remarks of the hon. member for Lunenburg, Mr. Zwicker, and the hon. member for Colchester, Mr. Kennedy, in discussing this question tonight? They said in effect, "Tax the people."

MR. MARGESON. Who said that?

MR. TORY. The hon. gentleman's colleague, Mr. Zwicker, said it. He said, "Do not borrow money, tax the people, that

instead of pressing this Bill forward, the Government should press forward the Bill to provide for supplementing the revenue of the Province."

MR. ZWICKER. I did not make the statement that we should tax the people.

MR. TORY. Did not my hon. friend say that the proper thing would be to take away the statute labor and let the people pay the tax?

MR. BISSETT. It was the hon. member for Colchester who said that.

MR. TORY. A great deal has been said from time to time in various discussions in this House, and also tonight, about unity of control and that that was the one thing brought about by the Homes-Thompson Government in the County Incorporation Act. It was said that the Conservative party in this Province had accomplished two remarkable things. The first was that they had created the School Act, and the other was that they had passed the County Incorporation Act. I desire to ask the hon. gentleman opposite, why the Homes-Thompson Government passed the County Incorporation Act. I will tell the House why they did so. I shall tell them with words out of the mouth of one of their supporters, who spoke on the subject when that Bill was before this House. I shall read a paragraph from the speech of an hon. gentleman who represented the County of Guysborough at the time the County Incorporation Act was passed. On this point, the hon. gentleman will see the unity that runs through the Conservative party, not only today but from the time of the Holmes-Thompson Government, down to today. The idea was then as now, not to use sound expedients and sound financial methods to relieve the people, of undue and unbearable taxation, but to throw back the responsibility of dealing with these matters, on the shoulders of the people themselves, in order that they might be taxed, for the present as well as future generations. Here is what Mr. A. N. McDonald said, when speaking in this House in 1879, and it sounds very much like what we have heard tonight in connection with this road problem.

TAXATION FOR ROADS

"As the matter now stood it became the members of this House to look at it in its true light, and recognize the fact that they were face to face with direct taxation. The members of this House were informed that they could not have anything for their roads and bridges; that being the case the question naturally arose, what course was to be pursued to make some provision for that service? They must put the people in a position to tax themselves for the support of this most important convenience throughout the country, which they possibly could not do without.

"As the matter appeared now, the House was bound to provide for the future; next year, perhaps they would have no road monies at all. He presumed that if they could not get from the treasury of the Province what money they wanted for their roads and bridges, they would have to do as their late lamented statesman, Mr. Howe, did, when he failed to obtain repeal. This proposal was to do the next best thing; and the next best thing in the present case, he (Mr. Mc.D.) believed, was to accept machinery offered by the Government to enable them to obtain THE REQUIRED MONEY FROM THE PEOPLE. They desired to be in a position to say to the people 'Here is a law under which you can tax yourselves for your roads and bridges, or let it alone.'"

In the foregoing statement the substance coincides exactly with the views expressed by hon. gentlemen opposite tonight, in connection with the Bill now before the House.

PROBLEM OF REVENUE FUNDAMENTAL

Hon. gentlemen opposite in the course of their remarks tonight have criticised the policy of Mr. Fielding and others in connection with the borrowing of money for road expenditure. But they seem to have forgotten that beneath this problem of roads, lies the fundamental problem of revenue, and there is no way of understanding the attitude of Mr. Fielding and others who have had to face this problem, without first understanding the more

fundamental difficulties of revenue. If we look carefully into the history of this Province, we will soon discover where the fundamental difficulty lies. If we have not been able to keep our roads in the condition which they should have been kept in, it has been due to the fact that our revenues would not warrant any greater expenditure than has been made either by way of current expenditure or by way of capital expenditure. But where did this fundamental difficulty of revenue arise. The problem that faced the different administrations in this Province, during the past forty years in connection with revenue was not brought about by the Liberal party, but by the terms of Confederation, whereby our revenues were reduced to less than one-third of what they had been prior to 1867, and the services necessary to the management of the affairs of this country were thrown upon the Government of the country without the means of providing for them. The year before Confederation the Province had a revenue of \$1,857,247.17, while the year following the Province had a revenue of only \$586,696.25. When the Holmes-Thompson Government came into power, in 1878, the revenue for that year was \$775,275.24, but under their management of the country's affairs the revenue decreased steadily year by year, until, in 1882, it reached its minimum of \$541,729.53. Fortunately for the country they went out of power in 1882, having contributed nothing to the solution of this fundamental problem, or the problem of roads, except to provide a law whereby the people could tax themselves, or let it alone, as Mr. McDonald stated. Fortunately for Nova Scotia, I believe the people of this Province remembered these facts during the many elections since that date, despite all the wild talk of the Conservative party, about bad roads, squandering of money, borrowing bill, etc. They remembered, no doubt, that the financial difficulty in which this Province was placed by the terms of Confederation made doubly hard every other problem that confronted this country since that date. The Liberals came into power in 1882, and Mr. Fielding had to face these problems under circumstances which were simply heart-breaking. With bridges tumbling down or already down, with roads in a terrible condition, with a school system requiring

under the law a large amount of money, with public charities, Agriculture, and all these other departments of the public services to be attended to and with only \$540,000.00 in round numbers, to meet all these obligations with. There was no other way by which he could meet the immediate need in connection with roads and bridges and the other services, than to borrow money. Anyone who knows the situation at that time, knows that what I am stating is absolutely true. I am informed that there were only two or three of the larger bridges in Guysborough County which were fit to cross, and the roads in some parts of the county were almost impassible. The amount of money which Mr. Fielding borrowed and spent upon the roads in Guysborough County, was in my opinion the only thing that saved the situation, and made it possible for the people to carry on their business in the country. Before Confederation the Government has spent on the road service up to \$300,000.00 a year, but during the time of the Homes-Thompson Government, they spent less than \$100,000.00 a year, except the last year, and as a result of this small expenditure due to the small revenue, largely, the roads and bridges went to wreck and ruin, and every administration since that time has had to face the problem of dealing with these conditions which had steadily grown worse from confederation down to 1882. If you read the correspondence conducted by the Homes-Thompson Government with Ottawa, you will observe that it was almost a wail of despair that was sent to Ottawa, pleading for help in connection with the financial difficulties of the Province. Few men have ever been face to face with such difficulties in connection with the finances of any Province of this Dominion, as faced Mr. Fielding, when he came into power in 1882, with only about half a million of dollars in revenue, and with two services alone, viz:—Education, and Transportation, requiring nearly the total of that amount. He was not only limited in expenditure on current account, but he was also tied up in his power to borrow, for the power to borrow involved the power to pay interest, and that involves revenue. Hon. gentlemen opposite should face the facts in connection with these matters squarely, and instead of finding fault should commend the men who faced these matters and dealt with them

effectively. Hon. gentlemen opposite complain that the roads are not better, but they are not better on account of facts which are antecedent to 1882. When Mr. Fielding came into power, he did what he could to avoid the very thing which the County Incorporation Act intended to bring about, viz:—Direct Taxation. In 1883, he had enacted the Larger Bridge Act, by which he took over from the current expenditure account of the Provinces the construction of the larger bridges and concurrently with that he did what he could to increase the revenue of the Provinces, thereby increasing both his ability to spend on current account, and his ability to borrow money for capital expenditure. In 1891, he was able to assume the construction of the smaller bridges, that is bridges costing from \$30.00 to \$500.00, and so the ordinary road expenditure was relieved to that extent. When I take all the facts into consideration in connection with the early history of this province, after Confederation, when I remember that in 1866 we lost the natural markets of this Province, when I remember that in 1867 we lost the larger portion of the revenue of this Province, and when I think of the heroic struggle which took place in Nova Scotia after these events to maintain our status as a Province and at the same time to deal with the perplexing problems that presented themselves, I reach the conclusion that it ill becomes the hon. gentleman opposite to criticize any man who struggled sincerely, intelligently and effectively with conditions such as I have described, and at the same time to ascribe virtues to the Homes-Thompson administration, which they did not possess. That Government, as the facts of history show, and perhaps with little blame to them, was absolutely incapable of dealing with the problems of their time and especially with the road problems, except in the way I have indicated, which was to shift the burden off their own shoulders and place it upon the shoulders of the Municipal Councils. Things, however, are changed today. Our power to expend money on current account has increased and also our power to borrow money for expenditure on capital account, and it is the purpose of this Government, I understand, to use this revenue in both directions as the needs of the country shall demand.

When the hon. member for Lunenburg, Mr. Margeson, began

his address tonight, he was very courteous in his remarks in connection with the Liberal party of this Province. He did not agree with the hon. Leader of the Opposition that this money would be used for partisan purposes, because, he stated, that the votes of the people of Nova Scotia could not be bought by commissions on the roads, but before he was through, he stated, if I understood him correctly, that that was what this money was intended for.

MR. MARGESON—My hon. friend misunderstood me.

MR. TORY—I have not the exact words my hon. friend delivered tonight, but I have the exact words which he delivered only a few nights ago, in a speech in Dartmouth, and perhaps my hon. friend will admit these statements, which I quote from the Evening Mail of the 16th inst., as follows:

“There were a great many reasons why the present local Government should not remain in power. They had for the past thirty years been dealing with our Roads, Mines, Schools and Educational matters, generally, town affairs and in fact had been legislating on everything that came nearest to us. But how did they use this trust? By locking up our mines. Letting our roads go to wreck and ruin, neglecting our schools and squandering our money.”

MR. MARGESON—I did not say that.

MR. TORY—Letting the roads go to wreck and ruin, that is what the Evening Mail stated you said.

MR. MARGESON—that is right.

MR. TORY—It is not right, and no one knows that better than my hon. friend. That is the kind of stuff that is being sent broadcast over this country by hon. gentlemen opposite. The people do not believe it of course because they knew the history of the Liberal party of this Province. It seems to me that it would be far better politics for hon. gentlemen opposite to take a straightforward attitude toward these public questions, rather than to misrepresent the facts and attempt to mislead the people. The hon. gentleman thought no doubt that Dartmouth would be a good place to make this kind of a speech. The hon. gentleman, however, was not quite so glib in the House tonight and did not use quite such objectionable language, as he did on that occasion.

My hon. friend knows that every problem that has presented itself to the Liberal administration of this Province since 1882, has been dealt with, not only honestly, but effectively, and we have come at last upon good times. We have today the best system of bridges of any Province in the Dominion of Canada. We have, I believe, roads as good, if not better than any other Province in the Dominion. We have schools which are the envy, I believe, of other Provinces, and we have a history for honesty in connection with the affairs of this Province, without a parallel perhaps in the history of the world. And yet my hon. friend says, "neglecting our schools", etc. Was that true?

MR. MARGESON—To some extent.

MR. TORY—Only the other day, in a speech, in this House, my hon. friend declared that the Nova Scotia School System was the best in the World. "Neglecting our Schools and squandering our money," was that not a nice charge in connection with a Government, with a history such as that of the Government of Nova Scotia, a Government fresh from the people of this Province. Statements of that character were an insult, to both the intelligence and moral sense of the people of this Province.

MR. MARGESON—The Conservatives are coming.

MR. TORY—At the present rate of progress, it will take them a long time to get here.

THE IMPORTANCE OF GOOD ROADS

The hon. Leader of the Opposition, in his address on this Bill, stated that the question of roads was one of the most important questions that any Government had to deal with.

That this matter of roads was more important than Railways. On that point I agree with him.

There is no phase of the transportation problem which touches so many of our people so closely, as that of roads.

Our railroads are important, our canals are important, our public works relating to these phases of our transportation problem are important, and also our steamship service, but first and foremost is the need for good roads.

The importance of these other phases of the transportation

problem is shown by the enormous expenditure made by the Federal Government in connection therewith. These expenditures are shown by the Dominion Balance Sheet, and other sources of information, and I am glad that at last the importance of good roads is being reorganized by that Government also. I have recently been looking into some of these expenditures, in connection with the other phases of the problem of transportation and I propose to submit some of these facts to emphasize the need of expenditure on roads.

RAILWAY EXPENDITURES, DOMINION GOVERNMENT AND
FURTHER PROPOSED EXPENDITURES

Digby and Annapolis Rly..	\$660,683.09	
I.C.R.....	92,999,096.81	
P.E.I. Rly.....	8,559,751.12	
Nat. Transcontinental Rly..	95,422,533.44	
Hudson Bay Rly.....	329,620.27	
New cars for His Excellency, the Governor General....	56,538.82	
Quebec Bridge.....	6,552,344.40	
		\$204,580,567.95
Railway Subsidies.....	42,635,280.14	
Grand Trunk.....	25,607,393.00	
C.P.R. Emmerson, Han. 1909	87,425,000.00	
St. John Bridge and Railway Extension Co.....	433,900.00	
G.T.P. Loan Account.....	10,000,000.00	166,101,573.14
C.P.R. Land acres 27,924,190 at \$5.....		139,629,950.00
Further Estimated Expenditure.....		510,312,091.09
Adtl. Amt. for G.T. Pacific..	100,000,000.00	
Hudson Bay.....	20,000,000.00	
Ontario Govt. Railway....	2,000,000.00	
Dean Settlement Railway..	2,000,000.00	124,000,000.00
		<hr/>
		\$634,312,091.09

In addition to this we have expended on our Canals, \$97,358,994.45, not one dollar of which has been spent in Nova Scotia, and it is I believe proposed to spend on the Georgian Bay Canal of upwards of \$100,000,000.00.

On Public Works, relating to transportation of a permanent character \$39,651,815.71. On Public Works of an investment character \$17,299,310.55 also relating to transportation, and it is further proposed, I understand, to expend in connection with the harbours of Victoria and St. John \$41,000,000.00 more.

To capitulate these actual expenditures, together with those projected by the Dominion Government, in connection with this transportation problem, almost all of which as far as relates to actual expenditure, has been spent on capital account and very little in Nova Scotia. We have—

RAILWAYS

Actually expended.....	\$ 370,682,141.09
C.P.R. Land Grant at \$5 an acre.....	139,620,950.00
	<hr/>
	510,312,091.09
Further estimated Expenditure.....	124,000,000.00

CANALS

Actually expended.....	97,358,994.45
Further estimated for Georgian Bay Canal. . .	100,000,000.00
	<hr/>
	\$197,358,994.45

PUBLIC WORKS

Connected with Transportation

Permanent Character.....	39,651,815.71
Investment Character.....	17,293,310.55
Further proposed Expenditure... ..	41,000,000.00
	<hr/>
	97,945,126.26
Grand Total.....	<hr/>
	\$929,616,211.80

An amount almost equal to half the total Federal expenditures since Confederation.

Here we have capital expenditures of staggering proportions either actually made or contemplated, for these phases, of this transportation problem but when it comes to the road phase of this problem which is admitted by the Leader of the Opposition to be more important than some of these other phases, opposition is immediately set up to the capital expenditure of half a million dollars on our roads. I leave this matter for the judgment of the intelligent people of this Province.

DOMINION GOVERNMENT GRANT FOR ROADS

The hon. member for Lunenburg is very sanguine as to the assistance that we in Nova Scotia are going to get from the Dominion Government for the improvement of our roads, but I am not so sanguine and I would commend to the hon. gentleman some articles which appeared a few days ago in the Halifax Herald and also in the Morning Chronicle on the relations of Nova Scotia to the Dominion. The hon. member is very sanguine as to what Mr. Borden is going to do, but Mr. Borden might not be able to do all that he would like to do.

MR. DOUGLAS. Is the hon. member opposed to Confederation?

MR. TORY. No; I am not opposed to confederation, but I am opposed to the terms of Confederation, which were not fair to this Province.

MR. MARGESON. Why did not Sir Wilfred Laurier, when he was in power, give the Province a square deal?

MR. TORY. The Government of Sir Wilfred Laurier was the only Federal Government which tried to do so. We did get a little from that Government, but how can we expect to get anything from an administration tied up with a minister of railways from Ontario, who does not seem to care the snap of his fingers for anything outside of that Province.

MR. MARGESON asked whether hon. member referred to Mr. Graham?

MR. TORY. No. Mr. Graham gave the County of Guysboro a million dollars for a railway, but the present minister of railways stole it away from the people of that County. I use the

word stole in a figurative sense, of course. The sum of \$5,984,371.71 has been expended on railway construction in Nova Scotia by this Province since confederation and we now have railways in nearly every county of the Province except in the County of Guysboro, and the County of Victoria. I was one of those who did the best I knew how to get the Dominion Government to assume the obligation of building the Guysboro road, and to relieve the people of Nova Scotia from that burden. Knowing the importance to them of the road problem, I did what I could to induce the Dominion Government to take over the Halifax and Eastern Railway. I felt that any relief we could obtain from the Dominion Government would be a blessing not only to the County of Guysboro but to every county in the Province, that had bad roads. The hon. member for Cape Breton, Mr. Butts, stated that he was informed that the contract for the building of the Halifax and Guysboro Railway had not been cancelled, I want to say to the hon. gentlemen that the contract has been cancelled and cancelled by Order in Council, at Ottawa. They found that they could not get rid of it without an Order in Council and I have a copy of the Order in Council which took away from the County of Guysboro the road that they had struggled for years to get, after the tenders for construction of the road had been accepted and yet hon. members opposite ask me to trust Mr. Borden as an honorable man. If there is anything that is contemptible in a public man it is that he should get up in the House of Commons when in opposition and make statements of the most pronounced character in favor of this road and then when he became a member of the Government and Premier of Canada vote to cancel the contract.

I had my hopes somewhat raised when I read the following words from the speech from the throne.

"Since the last meeting of the legislature, I am glad to be able to inform you that the Federal Parliament assumed the responsibility of providing branch railways in the Counties of Halifax, Guysboro and Victoria and that financial provision was made for their construction by a vote of that Parliament. The building of these roads will bring the advantages of railway communication to important sections of the Province."

A gleam of hope came to me when I read that paragraph, but when I read the speech of the Minister of Railways, who with a coolness worthy of a better cause defended his course, in cancelling the vote, saying that he had cancelled the vote and would only build the road if it could be justified as a financial venture, I confess to a feeling of discouragement. The sum of twenty millions is estimated for expenditure on the Hudson Bay Railway in the Northwest, but the financial aspect of it was not considered; over two millions was voted for expenditure in the Province of Ontario for a road already built and owned by the Ontario Government and millions for railways, canals and public works elsewhere. When it came to the poor County of Guysboro that had paid out of its poverty for a century, the contract was cancelled and the money taken from them. There is no word for it but steal, but as that word is considered unparliamentary, I will withdraw it if necessary.

BAD ROADS

Hon. members opposite complained of bad roads and there is no doubt that some of our roads are bad and it was on that account that this Bill was considered necessary. But it is doubtful if our roads are any worse or even as bad as the roads of other Provinces, and it is certain that no Province in Canada considering its revenues has contributed more generously towards the construction and maintenance of our public roads, than Nova Scotia. In this connection I would like to read a paragraph or two from the report for 1911 of the chief engineer of the Province of Ontario, on the condition of their roads and the amount of their road expenditure. The paragraphs are as follows:—

“In road improvement lies one of the greatest opportunities for material advancement, a work which the Highway Improvement Act is substantially encouraging.

It is generally conceded that, comparing the progress of Ontario in road building with that of other countries, the standard of roads is extremely low, and that what should be one of the greatest pleasures of farm life, a country drive, is too

often a hardship. This is true in spite of the fact that we are spending large sums annually on the repair of these roads. During the past twenty years there has been spent on the township roads of Ontario by township councils alone, over \$19,000,000 in cash and over 22,000,000 days of statute labor—an aggregate exceeding in value \$40,000,000. It is true of the greater part of Ontario that the township roads are today little, if any, better than they were twenty years ago.

To estimate broadly the value of good roads, it can be stated that good roads would cut in two the time now spent in marketing produce and in driving on the roads for all purposes. They result in increased land value, lessened cost of transportation, improved marketing facilities, and the extension of social privileges largely overcoming the present isolation of the farm life.

Expenditure under the Highway Improvement Act, in 1910, amounted in all to \$553,321.61, of which the municipalities paid \$368,875.07 and the Province the remaining one-third, or \$184,437.54. Thus the effect of the Act is quite clear with regard to a point upon which enquiry is frequently made, that the Province contributes one dollar for each two dollars raised by county rate.

Township councils, in 1909, spent in cash, on purely township roads, over \$1,400,000, and over 1,100,000 days' statute labor, equal at least to \$2,500,000. In the next ten years, townships will spend twenty-five million dollars, and unless better methods are followed there will be little of permanent value resulting. Under more efficient methods of managing labor, such an outlay should produce substantial improvement. It remains merely to appeal to the public judgment to attain the object looked for—an entire cash system under a permanent road superintendent in each township."

That shows clearly the condition of the roads in the great Province of Ontario after the expenditure of millions of money.

The condition seems to be quite as bad as in Nova Scotia. I do not blame Ontario, I simply submit these facts to show that the road problem is one of the most difficult and costly problems that any Provincial Government has to deal with and I submit

that instead of factious opposition we all should co-operate with the Government in promoting any scheme that will facilitate the building of good roads in Nova Scotia.

EXPENDITURE ON HIGHWAYS

Another point to which I desire to direct the attention of the House, is in regard to the matter of expenditure on our roads and bridges. The Government has been charged with lack of generosity in this regard.

In this connection I submit that, in my opinion, considering the revenues of the Province and the other services to be dealt with, the expenditure on the public highways of this country are without a parallel in the history of the provinces of the country, and I believe that we have, as a Province, not only spent more money in proportion to our revenue, but we have got also, equally good, if not better results, and in addition to this, it must be borne in mind, that apart from the statute labor, the Province has borne the whole amount of the vast expenditure and has not taxed the people for one dollar of this expenditure. Every other province of the Dominion, as far as I know, has made the people pay a portion of the expenditure on roads, and in most cases the contributions from the municipalities and townships greatly exceeded the contributions from the provinces, for example, as has already been shown in Ontario, the Provincial Government spent in the year 1910, \$184,437.54. The municipalities spent in the same year \$368,875.07, while in 1910 the Township Councils spent in cash \$1,400,000.00, and in addition 1,100,000 days statute labor, which should at least be equal to that amount in dollars under proper control.

In New Brunswick the annual grant is only \$100,000; in Prince Edward Island only \$30,000. In Alberta, it is only \$200,000, while some \$600,000 is raised by local taxation. In Quebec each township is allowed a sum not exceeding \$1,000 on condition that the townships raise \$2,000, making the expenditure one-third for the Government and two-thirds for the townships.

In Saskatchewan, the Government spent, in 1910, \$549,928.00, while they raised from local taxes \$967,000.00.

Now what has the Province of Nova Scotia been expending on its roads? In the first place, as I have already stated, apart from the statute labor, the Government has borne the total cost of the construction and maintenance of the highways of the Province.

When that work of fiction, to which I have referred, entitled, "Facts for the People," came into my hands I took the trouble to have compiled a table of the expenditures on the public highways in the Province since 1883. In this expenditure I have not included the expenditures on Capital Account, but I have included the interest on these capital expenditures on highways with the other expenditures..

The expenditures are as follows:

	<i>Expenditure</i>
1883 to 1886	\$ 525,244.05
1887 " 1890	586,924.33
1891 " 1894	548,409.31
1895 " 1898	625,828.71
1899 " 1902	765,474.12
1903 " 1906	978,742.09
1907 " 1910	1,237,922.98
1911	226,668.63
Making total of	<hr/> \$5,495,214.22
On Capital Account there has been expended:	
On Bridges.....	\$3,141,673.17
On Roads and Road Machinery.....	599,373.87
Total.....	<hr/> \$3,741,047.04
Roads as before stated.....	5,495,214.22
Grand Total.....	<hr/> \$9,236,261.26

The results, of course, would have been more satisfactory if the Government had been able to expend a larger amount of money. If the Government had spent \$25,000,000.00 still our expenditure would have been nothing, as compared with the expenditures in

European countries, as for example, Great Britain, which spent in England, Ireland and Scotland, in year 1905-6, \$77,323,891.00, but the amount which the Province of Nova Scotia has spent, is a large amount in proportion to the revenue.

There is one other point to which I wish to refer in answer to criticism in the House, also in answer to a criticism made by the hon. member for Lunenburg, Mr. Margeson, in that famous speech of his in Dartmouth, and that is in regard to the Public Debt of the Province. In that speech he said:

"They had recklessly borrowed money right and left, until at present the Province was shouldered with a debt of over \$10,000,000. This money has been borrowed under various pretences, but had chiefly been spent in furthering the cause of the Liberal party, rather than in building up the Province."

The statements were quite in keeping with the other statements I have quoted in another connection, and were about as fair and about as correct.

"Borrowed money under various pretences, but chiefly spent in furthering the cause of the Liberal party"—a greater misrepresentation of facts it is hard to imagine.

The first pertinent question in connection with this is: "What was the money spent for?—The following are the facts as regards expenditure on Capital Account:—

ANALYSIS OF CAPITAL ACCOUNT EXPENDITURE. PROVINCE OF NOVA SCOTIA, FROM CONFEDERATION TO SEPT. 30, 1911.

RAILWAYS.....	\$5,924,294.16	
RAILWAYS, C. C. Gregory..	60,077.55	
	<hr/>	\$5,984,371.71
AGRICULTURE		
(a) Agricultural College ...	\$ 85,569.03	
(b) Horticultural Experiment- tal Farm	11,000.00	
(c) Exhibition Commission	69,576.69	
	<hr/>	166,145.72

BRIDGES

(a) Avon Bridge.....	\$ 25,000.00	
(b) Larger Bridges.....	3,027,791.99	
(c) Smaller Bridges.....	88,881.18	
	<hr/>	\$3,141,673.17

PUBLIC CHARITIES

(a) Deaf and Dumb Inst...	\$ 10,000.00	
(b) N. S. Hospital.....	154,480.41	
(c) School for Blind.....	30,000.00	
(d) Tuber. Sanator.....	25,337.28	
(e) Vic. Gen. Hospital....	148,254.53	
(f) Windsor Hospital.....	14,000.00	
(g) Dept. Pub. Charity..	217,301.65	
	<hr/>	\$ 599,373.87

ROADS

(a) Permanent work.....	599,719.20	
(b) Road making machinery	15,319.75	
(c) Road making Halifax .	2,900.00	
	<hr/>	617,938.95

EDUCATION

N. S. Technical College....	207,339.42	
	<hr/>	207,339.42

SUNDRIES

Burns Building Purchase...	33,424.04	
New Court House.....	8,333.33	
Paid to Queens and Shel-		
burne on account	28,880.52	
Refund Baring Bros. Co....	253,066.66	
Dept. Works & Mines.....	14,821.86	
General account.....	70,070.68	
	<hr/>	408,597.09

\$11,125,439.93

This was the total expenditure on Capital Account since Confederation and I wish to know which of these items of expenditures should not have been made. To which of the items does the hon. gentleman object? There was not one of

them made under any pretense, but for a proper and legitimate purpose in the interest of the Province.

The hon. gentleman forgot to tell the people that of that total amount \$5,984,371.71 had been spent in providing railways for the people of the Province and that \$3,759,612.13 had been spent in making our bridges and roads passable, or that in other words, this problem of transportation accounted for \$9,743,983.84 or nearly nine-tenths of the total amount. But there is another side to this question on which the hon. gentleman was quite silent.

My hon. friend gave one side of the ledger, but was very careful to say nothing about the other side. Nothing about the assets of the Province, largely created by these expenditures. Nothing about the railway mortgages amounting to \$4,596,372.65 which is bearing interest at $3\frac{1}{2}$ per cent. Nothing about the \$1,056,025.47 on deposit with the Dominion Government, bearing interest at 5 per cent. Nothing about the accounts due the Government from various sources payable in cash. Nothing about the Sinking Fund of \$228,668.68, also bearing interest, and nothing about the various other assets of the Province which are valuable though not bearing interest. I submit some of the items which might be included in the assets as follows:—

THE OTHER SIDE OF THE LEDGER

ASSETS

MORTGAGES, ETC.:

Mortgage on Railways,

$3\frac{1}{2}$ per cent. \$4,596,372.65

Dominion of Canada,

debt acct., 5 per cent. 1,056,025.47

Education, County loan. 3,904.00

Due from Municipalities and

private patients. 19,805.99

Due from Mines Department 268,927.00

Sinking fund and interest. 228,668.68

\$6,173,703.79

AGRICULTURE:

Agricultural College.....	85,569.03	
Horticultural Experimental Farm.....	11,000.00	
	<hr/>	96,569.03

BRIDGES:

Larger Bridges.....	3,027,791.99	
Smaller Bridges.....	88,881.18	
Avon Bridge.....	25,000.00	
	<hr/>	3,141,673.17

PUBLIC CHARITIES:

Nova Scotia Hospital.....	154,480.41	
Tuberculosis Sanitarium..	25,337.28	
Victoria General Hospital..	148,254.53	
	<hr/>	328,072.22

EDUCATION

Nova Scotia Technical College	207,339.42	
	<hr/>	\$9,947,357.63

I have eliminated many of the items which were under Capital Expenditure but when these are taken into account it tells quite another story from that told by my hon. friend at Dartmouth.

These are the items which should have been exhibited to the audience if the hon. gentlemen had desired to be fair.

In conclusion I desire to offer one or two suggestions, but first I would say that I do not consider the case made out by the Opposition amounts to a snap of your finger. The hon. Leader of the Opposition said "Wait a little while." I have waited for railroads until I am tired. I shall be glad to get roads, and I would vote for a million dollars instead of five hundred thousand for that purpose, and I want hon. members to know where I stand.

EDUCATION IN REGARD TO HIGHWAYS

If the present road system commended itself to the people it is our business to give them that system, but it is within the province of this Government to do what they can in the line of education. I believe what we require today is not only

education of our engineers but of public sentiment on this question of roads. I believe if the road report were divided into two parts and that dealing with the building of roads was sent to every voter in the Province, and other literature also, it would help to solve the problem a little each year, and aid in the introduction of scientific methods. The Hon. leader of the Opposition talked about unity of control, his common sense plan was not to put mud on the road but gravel, but in my judgment what we require is an educated corps of men, and an enlightened public opinion.

We have a fine Technical College and I would suggest that special courses should be designed to meet the needs of our road inspectors. Short courses in winter should be given to every inspector giving instruction in scientific Road building and in this way we would steadily build up an efficient corps of men who would give the best possible service in connection with our road department.

I commend to the Department the following from the Ontario Report:

"General systems of good roads receive the supervision of technically trained men and a body of experienced superintendents and workmen. In France and Switzerland, road engineers are required to have diplomas from national colleges of highway engineering. In England and Germany public opinion demands that roads should be under the direction of engineers of recognized standing. The United States Federal Government is giving graduate engineers a post-graduate course in highway engineering, and several of the States have in their State universities, chairs of highway engineering."

I further agree with some of the remarks by hon. gentlemen opposite on the subject of statute labor, but I do not agree with the hon. member for Colchester (Mr. Kennedy) that we should tax the people.

MR. KENNEDY. What I said was, that with respect to unity of control the Government should go a step further.

MR. TORY. I made a note of the hon. gentleman's words. I believe it would be in the interest of the roads if the statute labor

were taken over by the Government and to that extent I am in agreement with the hon. Leader of the Opposition. As far as the municipal councils are concerned, there is not much to be expected from them in the direction of road building.

In conclusion, I wish to say that I am in sympathy with the Bill and its provisions, not because I am a Liberal, but because it throws a little light on the situation with respect to our roads. It will help to overcome the difficulties experienced in keeping our roads, in a reasonably fair condition for the present. In my opinion the idea of waiting another year has nothing in it. While we would gratefully accept any contribution from the Dominion Government, I for one would never consent to any provisions which did not give us our proportion according to some well defined and clearly understood basis. Nova Scotia never got a square deal from the Dominion Government and never will as long as the Dominion Government is at liberty to take all it desires and to give us as little as it chooses.

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RAILWAY RESOLUTION

April 1st, 1913

MR. SPEAKER:

On a previous date I gave notice that I would move the following resolution in respect to railways:

“Resolved, that in the opinion of this House, the action of the Federal Government in respect to proposed railway construction in the counties of Guysboro, Pictou and Victoria, for which money had been voted by the Parliament of Canada, and in cancelling the contract entered into for the construction of a branch railway in the county of Guysboro, was unfair to Nova Scotia in its efforts to deal effectively with the transportation problem of the Province, and an unwarranted and unjust discrimination against those portions of the Province that had waited so long for railway facilities.”

I desire to make a few observations in connection with the matter which I hope will at least make clear to those not familiar with the circumstances just what has happened. I have waited for practically two years in order to be able to determine definitely the position and the facts as far as it was possible to obtain them in order to be absolutely sure as to what the purpose and intent of the Federal Government was in relation to this matter. I desired, further, to be fair to that Government and to give them sufficient time to determine upon their course of action in order that it might be definitely known what conclusion they had reached. It will be remembered that in the Address to this House last year some reference was made to the Guysboro railroad, and I thought at the time that it held out some hope to the people of that county and other counties interested, because evidently at that time the conclusion had not been definitely reached by this Government that there was to be any breach of faith in connection with it. I observed, however, when the Address was presented

this year, that the matter was not referred to at all, and I concluded from this that this Government had reached a definite conclusion in regard thereto.

In connection with the statement that I propose to make today, I desire to say that I wish to be fair to the Federal Government and I also wish to give a proper place to the opinions of others, but it is my object to get the facts as they appear to me before this House and the country for judgment. I do not know that I shall get support from hon. gentlemen opposite but this will appear later. If they are as patriotic as I think at least some of them are, I will get some support from them.

In considering this matter it is necessary, in my judgment, to review the railway history of Nova Scotia, and I propose to do this for two reasons. First, because it would be difficult otherwise to give a proper setting to the trend of events, and second, because it is necessary to refute some rather remarkable statements which have been made, both in the press and by members of the House, in regard to railway construction in Nova Scotia.

PERIODS OF RAILWAY CONSTRUCTION IN NOVA SCOTIA

The railway history of Nova Scotia may be divided into five different periods. The first, for the purpose of division, is the pre-confederation period from 1855 to 1867. The whole history of railway construction in Nova Scotia prior to Confederation is embraced in that period. From the study that I have given to this subject I understand that the whole project of railway development in this Province before Confederation was sketched out by the Hon. Joseph Howe, who proposed to construct railways on Government account throughout Nova Scotia. His plan included a road running east and west, and a road running north and south, covering the whole of the Province with certain branch lines. He undertook and was going on with that work at the time of Confederation. At that time he had already built 143 miles of railway at a cost to the Government of \$7,106,381.29. In order that hon. members may understand why it was that the policy of Mr. Howe should differ from the policy subsequently adopted by later Governments, I may say that the revenue

of this Province in the year 1858, ten years prior to Confederation was, in round figures, \$900,000. In the year 1866, the year before Confederation, the revenue of the Province had advanced, in round numbers, to \$1,800,000. Of that revenue about 70 per cent, or \$1,235,000, was collected through indirect taxation. At this period we were not limited as to scope of taxation, we had a steadily developing revenue, and a large borrowing power on the part of the Government. I have heard the statement made repeatedly, both in the press and on the public platform, that this Government should have done as Mr. Howe proposed to have done, namely, borrowed millions of dollars for the construction of roads on Government account, regardless of the changed Provincial conditions. The result of Mr. Howe's effort was the construction of 143 miles of railway touching four of the eighteen counties of the Province, and that was the situation as to railroads in this Province when we entered Confederation.

The next period is what might be called the early Liberal period, from 1868 to 1878. Now what was the situation? 143 miles of railway had been constructed, the total revenue had gone down from \$1,800,000 to \$586,000, by the terms of Confederation the right of indirect taxation had been taken away, and they had in its place only \$324,685.60 of subsidy, with \$82,690, additional per year for ten years extra. The Government in 1868 faced the problem of railway construction with a total revenue of \$586,696.25, and only 143 miles of railway built. That being the fact, the question was, what was to be the future policy with respect to railway construction. It was evidently decided, and properly so, that it was impossible under the circumstances to enter further upon the construction of railways as Government built roads. Under the terms of Confederation there was a proviso which took some of the burden off the Provincial Government. It was part of the agreement, under section 145 of the B.N.A. Act, that a railroad should be built from Halifax to the St. Lawrence River, which involved the extension of the road from Truro to Amherst. Therefore that part of the problem was solved. Taking the conditions into consideration, I marvel at the courage of the Government of the day, and the amount of railway construction undertaken within the next ten

years. Four hundred and thirteen miles of railway construction was undertaken in the first ten years after Confederation. During the ten years the revenue had increased slightly, but not to any great extent. Out of that 413 miles of railway, only 78 miles were built under the terms of Confederation, the balance 335 miles, being built by companies aided by the Provincial Government. The following sections were undertaken in this period: Windsor to Annapolis; Digby to Yarmouth; Truro to Amherst; Springhill to Parrsboro; Middleton to Lunenburg; and New Glasgow to Mulgrave. The counties of Yarmouth, Digby, Annapolis, Lunenburg, Cumberland, Pictou, Antigonish were passed through and the county of Guysboro just touched. That mileage of road has cost the country over one million dollars, including that expended on the Eastern Extension, which cost the Government more than it was intended to cost on account, I understand, of failure of contractors.

MR. MARGESON: Do I understand the hon. gentleman to say that the road from Middleton to Lunenburg was built prior to 1878?

MR. TORY: I am taking the dates when construction was begun on these roads. The road from Middleton to Lunenburg was not finished until 1889 although it was begun in 1875. Of course the amount of money mentioned was the ultimate cost of these roads to the Province, but some of the expenditure on them would naturally be carried forward into other periods.

The next period was the Holmes-Thompson regime, between 1878 and 1882. During that period not a mile of road was undertaken either by the Provincial or the Federal Government. It was a blank chapter in the history of railroading in Nova Scotia. I do not blame these men for it. Some reason for this blank period may be found in the fact that the revenue was so small. Not only was there no new work initiated in this period, but the revenue had steadily gone down from \$775,275, in 1878, to \$527,000 in 1881, the lowest point the revenue had touched since Confederation. The construction of some roads previously undertaken was carried on, but no new work begun.

That brings us to the fourth period, that from 1882 to 1896, when Mr. Fielding had charge of the affairs of this Province.

In 1882 when Mr. Fielding came to deal with the question not only of railroads, but roads, bridges, and all other public services, he had a revenue of only \$541,000, with no power of indirect taxation. Only \$541,000 with which to face the situation and get for the people of the different counties railway facilities where there were none; bridges, where the bridges had tumbled down; and roads, where the roads were very bad. These are the facts that we have to consider in order to form a judgment on the problem which confronted him at this time. I have been amused at the talk I often hear about the things we ought to do. Will anyone suggest how these things are to be accomplished without money? Here they stood with only \$541,000 of revenue to face all the problems that had to be met at the time. They faced them, and when the history of Nova Scotia is written we will be able to appreciate the financial ability of Mr. Fielding, both as pertaining to the finances of Nova Scotia and to the finances of the Dominion of Canada; only a man of unusual courage would have proceeded with railway construction under such circumstances. During this period the Dominion Government did assist somewhat, I would give them credit for what they did in aiding railway construction in Nova Scotia. They built four sections of road. The section of 86 miles from Oxford Jct. to Stellarton; the section from Sydney to Point Tupper, 96 miles (although there were circumstances in connection with that section which perhaps would not give them as much credit as appears on the surface); then there was a section of 20 miles from Annapolis to Digby, the so-called "Missing Link;" and in 1894 they built a short section from Windsor Junction to Dartmouth in the county of Halifax. In other words the Dominion Government undertook the construction of 216 miles of railroad during the period of the Fielding administration, while during the same period the Provincial Government subsidized companies to build 159 miles, at a cost to the Province of \$368,688, and towards which Federal subsidies amounting to \$373,248 were given. This closes the chapter of the Fielding administration and it was a good chapter in the history of railway construction in the Province, when we consider the limited revenue and all the other difficulties incident to the period.

Now we come to the fifth and last period in the history of railway construction, that from 1896 to the present time, and I regard this as the great period of railroad construction in the Province. Prior to this period the Province had been saddled with a considerable amount of debt on account of the roads constructed, which offset somewhat the increasing revenue. When Mr. Fielding started in the development of his railway policy, the revenue of the Province, as has already been stated, was only \$541,000. In 1896 it had increased to \$841,000, so that when we came to the period under consideration we had a considerably larger revenue, but to offset this there was an indebtedness incurred on account of roads, bridges and railways. Now Mr. Murray faced the situation as it was at that time. Following out the same policy which had never been changed from the time of Confederation down to the present day, he sought to secure the construction of railways by means of companies, which was the proper method under the circumstances. I have read the statement made by a member of this House that the Liberal Government had never built a mile of railway. It is true that the policy of this Government had been to secure the building of railways by companies, but the companies were aided, encouraged and promoted by the Provincial Administration. In this period there was built by companies under provincial aid, and with aid from the Federal Treasury, 415 miles of road, involving an outlay of \$5,159,374, on the part of the Province, and an outlay of \$2,359,374.75 as Federal subsidies. There was no Federal construction except the railways undertaken in the Province which brought about the discussion today. These additional roads which were provided for had a mileage amounting to 213 miles, which when completed would make a total of 628 miles for the period. The approximate cost of the projected roads would be \$6,611,000. This summary of the history of railway construction in the Province of Nova Scotia since Confederation, brings us to the net result as shown by the table following.

I have taken the trouble to ascertain the railway mileage in each county, the number of square miles of area embraced in each county, and the number of miles of railway in proportion

to area, and it is remarkable how nearly equal the railway mileage is to the square mileage for each of the counties except the last two.

<i>County</i>	<i>Miles of Ry.</i>	<i>Area sq. miles</i>	<i>Area for each mile railway</i>
Halifax (including 74 miles not finished)	162	2,123	13 sq. m.
Cumberland	149	1,683	11 "
Annapolis	122	1,323	10 $\frac{3}{4}$ "
Cape Breton	115	966	8 "
Pictou	108	1,124	10 "
Lunenburg	105	1,202	11 "
Colchester	90	1,451	16 "
Inverness	89	1,408	15 $\frac{3}{4}$ "
Shelburne	85	920	10 $\frac{3}{4}$ "
Hants	85	1,229	14 $\frac{1}{2}$ "
Kings	59	864	14 $\frac{1}{2}$ "
Digby	55	1,000	18 "
Queens	54	1,102	20 "
Yarmouth	50	858	17 "
Antigonish	43	556	13 "
Richmond	36	489	13 $\frac{1}{2}$ "
Victoria	10	1,111	111 "
Guysboro	7	1,656	236 "
	1424	21,427	

In the case of Victoria it will be observed that there are ten miles of railway which skirt a corner of the county. The county contains 1,111 square miles, and has one mile of railway for each 111 square miles. Guysboro is the last, with the greatest disparity emphasised by these facts. There are seven miles of railroad, and if you look at the map you will find that the railway merely skirts the county, while two other railways have their noses practically resting on the county lines. Guysboro has but one mile of railway for every 236 square miles of area. I wish to reiterate that practically every county in the Province has been provided with railway facilities almost on an equality save these two counties. The problem of railway construction

in the Province has been practically solved apart from these two sections. I challenge investigation of this problem of railways.

The Province of Nova Scotia has had constructed during these periods 1,424 miles of railway altogether, with a present gross debt of \$5,927,491.86, against this we have first mortgages amounting to \$4,599,064.35, leaving a net cost of all that railway development in Nova Scotia \$1,328,427.51.

I venture the statement that there has not been a more successful development in the matter of railroad construction on the continent of America than that accomplished right here. When you consider the conditions under which we have labored it is a result of which every hon. gentleman in this House has good reason to be justly proud. But more than that, I have just this morning received a bulletin from the statistical Department of the United States, and I find that in the whole United States they have 2.6 miles of railroad for every 1,000 population, while in Nova Scotia we have 2.9 miles for the same number of persons. I think that covers the ground sufficiently as far as railroad construction in the Province of Nova Scotia is concerned.

HISTORY OF EFFORTS IN CONNECTION WITH THE HALIFAX AND GUYSBORO RAILWAY

I now turn to consider the history of the efforts in connection with the counties we are dealing with, and particularly with regard to Guysboro. I do this for the reason that a great deal of unjust criticism and misunderstanding has arisen in regard thereto. I will not take up the thread of the history farther back than at a point where I conceive it to have become a serious issue. I presume very few railroads have been constructed that did not have some unnecessary preliminary surveys, which in the end, however, led to the serious consideration of the problem. I propose to deal with the question from the point where it came a serious issue. That takes us to 1898 when the Dominion and Eastern Railway Company was formed in New Glasgow, with which there was connected Mr. Harvey Graham, and others of the Nova Scotia Steel Company. They had authority to build a line from a point at or near New Glasgow

to Country Harbor and Guysboro. In the same year there was incorporated the Musquodoboit Railway Company, having power among others to construct a road from Dartmouth to Deans Settlement. These two companies made preliminary surveys, but nothing came of them. They had been granted, under the terms of an agreement with the Government, the usual subsidy under the Act of 1886, of \$3,200 per mile. In 1901 a new company was organized and incorporated by this Parliament called the Nova Scotia Eastern Railway Company. In 1902 that company merged with the Dominion and Eastern Company under the name of the Nova Scotia and Eastern Railway Company. The chief promoters of this company were Mr. M. H. Fitzpatrick, formerly a Conservative M. P. P., for Pictou; Dr. H. H. MacKay, of New Glasgow, and several others. The most generous terms by way of subsidy ever given to any company in Nova Scotia were given in this case. On the 4th of February, 1903, a contract was made with this company, by which after certain negotiations, they agreed to accept a subsidy of \$5,000 per mile. They had also obtained from the Dominion Government a contract by which they were to receive \$3,200 per mile provided the railway did not cost more than \$15,000 per mile. The engineer of the company, who had gone over the route, reported that it would cost in the vicinity of \$20,000 per mile, in which case the Dominion Government had agreed to give an additional \$2,500 per mile. This would bring the total subsidy from both Governments to \$10,700 per mile. The Municipalities of Halifax, Guysboro and Pictou had voted free right of way. Under the contract of this company it was agreed to fyle a plan of the route of the whole line, and a location plan and profile of one of the sections, before Dec. 31st, 1903, and immediately on approval of same to commence work, and to complete and put in operation the whole line by Dec. 31st, 1906. To retain their contracts they built a small piece of road, and without fear of successful denial I will say, that there have been more mis-statements made about that piece of road than about any piece of railway in the Dominion of Canada. It has been charged time and again that that work was done by the Government for the purpose of influencing an election, whereas everyone

knows that it was built by Mr. Fitzpatrick in the endeavor to hold his charter while he was attempting to finance his company. Mr. Fitzpatrick went to London to secure funds for the construction of the road. He worked on this project, I believe, with as great fidelity and energy as any man in Nova Scotia ever did on a similar undertaking. As a matter of fact, it was understood that it was his untiring efforts to secure funds for the building of the road which caused his death, and that this occurred just when he had reached the point where success was in sight. His secretary, Mr. Coffee, who was sent over to complete negotiations also died, and as a result the project was not carried out. That ended the chapter as far as this effort to construct the road was concerned.

The next company that took up the matter was one that promised most hopeful results. In 1906 the construction of the roads comprised in the contract with the Nova Scotia Eastern Railway Co., was taken up by men connected with the Acadia Coal Company and other coal interests in Pictou County, represented by Sir Montagu Allan, and Mr. C. J. Coll. A company was organized, known as the Halifax and Eastern Railway Company. In the same year special legislation was brought down by the Provincial Government, empowering the Government to enter into contract with this new company, and with the right to grant a loan not to exceed \$12,000 per mile, the new company to have practically the same privileges as were extended to the Halifax and Southwestern Railway Company. Now anyone who knew the Allans of Montreal, and who knew their position in the financial world would have said that here at last, in Sir Montagu Allan, was a man the most capable in the whole country to carry out this project. Here was a man who would have a personal interest in the road, and I wish to state here that anyone who would say that Sir Montagu Allan would lend himself to political trickery would state what is absolutely absurd. In connection with this project, the Hon. Mr. Drysdale, then Attorney General of the Province, put it happily in bringing down the Bill to give these men their charter. He said:

"The Government believed that in dealing with the men who owned the Acadia and other coal fields in Pictou, they were

dealing with very reputable and responsible men, and with a company which would have behind this road the capacity to make it pay. If there was a future for our coal to the south of us by shipment from Atlantic ports, then these two branches to Halifax and Country Harbor would certainly be important roads, and the coal shipments over them would surely enable the company to pay interest on the money borrowed from the Government. He believed we were dealing with the people who had the ability and opportunity to make it a paying road. . . ."

I need not go much further than to say that a great deal has been said about some remarks that were made by the Premier of the Province in connection with this road. I have looked into the facts and I have not been able to see anything in them to reflect discredit upon either the Government or the Premier. Mr. Murray was dealing with men who were interested in building the road, and who had gone to much trouble in connection therewith. I have said that the Government had agreed to grant this company the sum of \$12,000 per mile in the form of a loan. The sum of \$6,400 was to have been granted by the Federal Government, and the balance of the money raised in the usual manner. In the year 1907 we had the beginning of the great financial panic. When arrangements were just about completed the financial stringency so affected the market that that, together with trouble in connection with the mines, made it impracticable for Sir Montagu Allan to finance the road, and again both the Government and the people were disappointed. I believe, however, had it not been for the Halifax end, which made the financial difficulty greater, that is, had the project been confined to the road from New Glasgow to Country Harbor and Guysboro, this part of the road would have been built. But, notwithstanding that the amount of subsidy granted by the Provincial Government as a loan, and the Dominion Government as a subsidy, would have amounted in all to \$3,882,400.00 the project was not carried out.

In 1908 the Government entered into negotiations with Mr. J. B. Bartram of Toronto, and others, for the construction of this road. In the same year a tentative arrangement was

made by Mr. Bartram with the Federal Government and with the Provincial Government, with regard to subsidy. This tentative arrangement formed the basis upon which Mr. Bartram sought to interest capital with a view to carrying out his project. In 1910 Mr. Bartram and his associates had apparently so far succeeded in the matter as to warrant the Government in making definite arrangements with them. A charter was granted by Order-in-Council on the 13th of June 1910, and a contract entered into with the company on June 27th, 1910, granting them a subsidy of \$6,400 per mile. An arrangement, I understand, was made with the Dominion Government by which they were granted a like subsidy of \$6,400 per mile, making in all \$12,800 per mile, or on the 211 miles which were proposed to be built, a total subsidy of \$2,700,800. The municipalities of Halifax and Guysboro, and I think, of Pictou, gave a free right of way. The company deposited with the Government the sum of \$50,000 required by the contract. At the end of 1910 Mr. Bartram came to this Government and said that he required other terms before he could go on with the road.

This is a brief history of the efforts made in the way of assisting companies to construct these roads. I do not believe that anybody can truthfully say that both on the part of the companies interested and on the part of the Government the utmost good faith did not prevail. If so, it is a most serious reflection upon a great many good conservatives in the Province of Nova Scotia and elsewhere who were connected with these undertakings.

CHANGED FINANCIAL CONDITIONS AT OTTAWA

In the meantime three things had happened. In the first place there had been a remarkable change in conditions in federal politics, a remarkable development had taken place in certain directions, and I cite this because it has a direct bearing upon this problem of railway construction here and elsewhere in the Dominion. There had been brought about an enormous increase in the revenues of Canada. In 1886 the revenue of Canada was, in round numbers, thirty-three million dollars; ten years later in 1895 it was still thirty-three million dollars, trade and revenue

were stagnant, but there was an election in 1896, new men came into authority, business conditions began to improve and revenue to increase, so that five years later, in 1900, the revenue had increased to fifty-one millions, in 1905, to seventy-one millions, and in 1910, to one hundred and one million dollars. These were vital facts, and I am recording them in passing because they affected the situation in Nova Scotia.

Another thing had happened, a new conception had grown up with regard to railway administration in Canada. Men were beginning to question whether it was wise that a trunk line should run through Nova Scotia and into the centre of Canada without any branches, they began to ask whether this was carrying out the spirit of the terms of Confederation, and whether it was not working to the decided disadvantage of the Maritime Provinces, and particularly Nova Scotia. There had developed considerable feeling over the question. People saw that in Ontario and Quebec where there had been separate branch roads it became necessary to absorb these into the larger lines. They saw the Canadian Pacific, the Grand Trunk, and the Canadian Northern reaching out their tentacles everywhere to absorb freight, and they began to ask if it were possible to expect that men would put money into short branch lines to feed the Intercolonial trunk line. The conception of the people on the question of railways had changed in Nova Scotia when they saw railway development retarded because of this policy. They saw where separate branch lines had been failures in a great many instances in New Brunswick, and that branch lines could not be built in Nova Scotia because of the fact that they were bound to be nothing more or less than feeders to a great trunk line.

This new idea not only took hold of the people, but also of the representatives of the people, the result being that a debate was started in the House of Commons in 1908 with regard to this whole matter. It was a strong debate, and it is interesting to observe some of the arguments used at that time. It was largely a question between the East and the West, the Maritime Provinces and Quebec versus Ontario and the West. In regard to this I may say, that the greatest difficulties this Province has had in connection with political problems have been brought

about largely by the Province of Ontario. It opposed the expenditure on the Intercolonial although it had received the largest benefits of confederation. It would take everything from Nova Scotia and give nothing in return. Mr. Emmerson moved a very adroit resolution, evidently intended to draw the teeth of Ontario in connection with this extension of the Intercolonial railway.

"RESOLVED, that in the opinion of this House it is desirable in furtherance of the transportation interest of this Dominion that the sphere of influence of the Intercolonial Railway, as a Government operated railway, should be widened and extended, by securing by lease or otherwise, such of the branch lines of railway now connecting with the Intercolonial, as will serve as direct and profitable feeders to the traffic of the said railway, and by providing for the extension of the Government operation of said railway to industrial centres of Western Canada, and to a point on the Great Lakes of Canada, either by the construction of an extension to the same to such points, or by securing such running rights over existing lines thereto, as will enable the Intercolonial Railway to extend its transportation facilities westwardly, with a view of stimulating and promoting internal and interprovincial traffic, and facilitating the import and export trade of the Dominion, through Canadian channels."

Although there has been spent in the Province of Ontario approximately \$100,000,000 on canals, still in order to placate that Province he moved a resolution that would project the road into Ontario as well as deal with the Maritime Provinces. That resolution was debated at some length. In the following year, 1909, another resolution was moved by Mr. Emmerson, and barring the fact that it did not have in it the part referring to extension westward, was the same as that of the previous year, and reads as follows:

"RESOLVED, that in the opinion of this House it is desirable in furtherance of the transportation interest of this Dominion, that the sphere of influence of the Intercolonial Railway as a Government operated railway should

be widened and extended by securing by lease or otherwise such of the branch lines of railway now connecting the Intercolonial as will serve as direct and profitable feeders to the traffic of said railway”.

This resolution dealt chiefly with the question of leasing and purchasing branch lines, it was also debated ably, and at considerable length.

In 1910 the debate on branch lines was narrowed down to certain specific instances in the Province of Nova Scotia, on the following resolution moved Dec. 12th, 1910 by Mr. McKenzie:

“RESOLVED that in the opinion of this House, the time has arrived in the commercial and industrial development of the Province of Nova Scotia, when the Intercolonial Railway of Canada, should be extended into the non-railway counties of the eastern section of that Province.”

POSITION TAKEN BY MARITIME LIBERALS IN BRANCH LINES DEBATE

This last resolution, as I have already said, brought the issues practically down to the non-railway counties of Nova Scotia. It was ably debated by Maritime members, and in order to understand the position taken by the Liberal members of the Maritime Provinces, I propose to place on record a few extracts from the various speeches made. Mr. Emmerson, speaking to the first resolution, said:

“I do not, however, maintain my argument in favor of the passage of the resolution which I will move upon the ground that it is simply for the aid of these particular communities. I think I shall be able to show that it will be of advantage to the Intercolonial itself, and that it will not entail any burden on the taxpayer of Canada. As I have stated, if the Intercolonial were owned by a private corporation, they would absorb every branch railway along the line of the Intercolonial, perhaps every one of the lines which I have mentioned in the statement which I have placed before the House.”

I will now give a sample of the argument used by Mr. Sinclair of Guysboro, in connection with the 1910 debate.

"It has been up in this House on various occasions, I suppose, ever since Confederation, and it will come up again until it is settled and settled right. It is of course satisfactory too that all the discussions we have had of late years on this question have not been fruitless. The Government have taken one step, and a very important step, in deciding to lease certain branch lines along the line of the Intercolonial Railway. In this resolution we are asking the Government to go a step farther and construct branch lines where no railways have been built. Every member of this House is well aware that the construction of the Intercolonial Railway was one of the conditions of Confederation. Without the Intercolonial Railway there would be no Dominion of Canada. The Maritime Provinces would not have come into the Confederation unless they were assured of its construction."

This statement of Mr. Sinclair's is so clear and explicit as not to require any comment.

The next gentleman I will quote is Mr. Carvell of New Brunswick, speaking to the resolution of 1910, he said:

"In Ontario and Quebec some twenty-five or thirty years ago, there were many branch lines built by independent companies, the majority of which no doubt received Government assistance, but which were afterwards found not to be remunerative to those who invested money in them. What was true of Ontario and Quebec at that time is true now in the Maritime Provinces. In order to make these branch lines a success it was found necessary in the Upper Province to amalgamate them with the big trunk lines. Then they became feeders of the Grand Trunk Railway and the Canadian Pacific Railway and became profitable, which never would have been the case had they remained independent. If it is necessary for the Grand Trunk Railway and the Canadian Pacific Railway to acquire branch lines by purchase or by lease or by construction, it is just as necessary for the Intercolonial Railway. I understand that

the Government have gone so far as to say that they will lease the branch lines. What I contend is that if it be necessary to get a branch line into a fertile or productive territory, or even into a territory not so fertile or productive, the Government should buy it if they cannot lease it, and in this way bring the prosperity to the people of that territory to which they are entitled."

The most important statement, however, made in connection with the resolution of 1909, was made by the then Minister of Railways, Mr. Graham. So impressed was he with the question of branch lines that he regarded it as wise to commit his statement to writing in order that he might go on record as Minister of Railways on this question, and I regard this as the most important statement made in connection with the debate that year. Mr. Graham said:

"That brings me to the point of branch lines, a question of deep interest to the people of Canada in every part. I repeat that my opinions may be right or wrong. I think they are right. In order that there may be no mistake as to my position on this point, and that I may not say something that really does not express the full view I hold, I trust the House will bear with me if I read a few lines that I have jotted down. The question of branch lines is one that must be shortly faced, as it does not need an authority on transportation and railway traffic to understand that there can be no prosperous main line unless it is fed by branches stretching out into adjacent territory. The Canadian Pacific Railway is now in the east, the Grand Trunk Pacific Railway is going there, and if the Intercolonial Railway is to maintain its fair share of trade it will have to see that it gets some of the feeders. There is no use shrinking from the situation. Either the Government must be ere long prepared to acquire some of its feeders and build new ones or it must hand over the management of the Intercolonial to some company that will do so. It will not be fair either to the railway or to the section of the country served by it in face of the changed condition, to very much longer continue to occupy the present position. Companies

recognize the necessity of branch lines, and that is why in the west there is almost, at the present time, a struggle to cover the territory with branch lines. If the Grand Trunk Pacific is to be the success it is hoped, it will have to see that it has a sufficient number of feeders to keep its trunk line busy. I think I am safe in saying that if a company owned the Intercolonial it would immediately proceed to pick out some of the best branch lines and absorb them, as well as build others, and it is possibly not going too far to say that were we prepared to lease the Intercolonial Railway to a company, any company desiring to get such a lease, as a condition of it, would agree to take over such branches and build others. This is my view of the situation, and while present conditions do not warrant the Government in launching out on the acquisition of existing branch lines, and the construction of new ones, the time cannot be far distant when the Government will be forced to take one of the two positions: either to adopt the policy of expansion itself, or in the interests of the road and the country it serves, lease the railway to some company that will adopt these business-like measures."

That was the stand taken by the Minister of Railways, evidently with a view of placing on record his position on the whole question. I think it will be generally conceded that Mr. Graham was one of the ablest men that had ever occupied the position of Minister of Railways, and therefore, a carefully prepared statement on the subject would naturally have great weight. So far there had been entire unanimity of opinion, as far as the Liberals from the Maritime Provinces were concerned, on the question of branch lines. They were pressing the question home on their own Government, pressing it by forceful arguments to the conclusion they hoped would be reached.

POSITION TAKEN BY MARITIME CONSERVATIVES

Now what position did the Maritime Conservative members take on the question prior to 1911, while in opposition? I am prepared to admit that the success which was accomplished in

the securing of the decision which was secured, was due very largely to the fact that both Liberals and Conservatives stood together on the question. The Maritime members of both parties stood firm against Ontario and the West to get some kind of recognition and justice for the Maritime Provinces. If the conservative members from the Maritime Provinces had stood to their guns subsequent to 1911 as they did prior to 1911, the situation which developed involving this debate would never have developed. What were the arguments used in favor of this great principle which was not only valuable to the counties of Guysboro and Victoria, but valuable to the whole eastern section of this country? I propose first to quote from a speech of the member for Halifax, Mr. Crosby, speaking to the last resolution which was confined to the non-railway counties, namely, Halifax, Guysboro, and Victoria. He said.

"I believe that such a railroad could be made a paying concern, though there is no doubt that for a few years after construction it would be difficult, perhaps to make it pay. That is the reason why it would be necessary to call upon the Government for assistance. We know that financial men are often unwilling to put their money into a concern unless they can see some immediate return for it. They must have the people's money in their hands before they start out to expend anything, the Government must give them a subsidy, either the Local or the Dominion Government or a combination of both, in order to guarantee them a return for their money before they will invest it. So I believe that the only hope that we have in Nova Scotia today is in the way of building branches to the Inter-colonial."

I will next quote a passage from the speech of Mr. Maddin of Cape Breton, not only because the case of the Maritime Provinces is put so clearly, but because it also indicates the source from which the opposition came:

"I would like to point out to the hon. member for Assiniboia (Mr. Turriff), that when he tells us that the Inter-colonial cost this Government \$40,000,000 and has since gone into Capital Account to the extent of \$80,000,000 for

which no interest has been received, I would like to remind him that the Minister of Railways in bringing down his annual report last year, assured us of a surplus of over \$700,000. Can not that be applied to interest? Is that not some dividend? But, Sir, I wish to assure the hon. members that whether the Intercolonial Railway pays dividends or not, whether it incurs an annual indebtedness or not, it was not contemplated by those who undertook the construction of that railway, that it should be for the purpose of paying dividends, either to the Maritime Province before Confederation or to the Dominion of Canada after Confederation. It was for the purpose of welding the provinces together and opening up the avenues of trade, and in carrying out Confederation it has faithfully and well served its purpose. But, annually when the deficit on the Intercolonial Railways is announced, a whine goes up from some Western and Ontario members like the wail of a lost soul, about how much more money is going to be wasted on the Intercolonial. The member for Assiniboia (Mr. Turiff) failed to tell the House that there is \$100,000,000 invested in canals in Ontario and Quebec alone. These canals are worth absolutely nothing to the people of the Maritime Provinces. We are unable to send one pound of coal west of Montreal. Yet we are taxed to support these canals, as no revenue is collected from them, the locks being thrown open free to navigation. There is no whine about the cost of these canals. I submit that it is not fair to the people of the Maritime Provinces that this complaint about the deficit on the Intercolonial should be so often raised. Now, Sir, I am in complete sympathy with this resolution."

We now come to another statement which I regard as a very important one, a statement which was read in the House some time ago, but to make the record complete I will again quote from Mr. Borden's speech made in the House of Commons on Dec. 12th, 1910, and speaking to Mr. McKenzie's resolution. Mr. Borden, of course had a particular interest in this debate, because he regarded Eastern Halifax as coming within the definition of the non-railway counties of Nova Scotia, so that

in arguing for the resolution, he was arguing in the interests of his own county, as well as in the interests of Guysboro County. He said:

"Something has been said about other counties of Nova Scotia, and I would like to say a word or two on behalf of the county I represent. Until the Halifax and South-western Railway was built, the county of Halifax—having a coast line of 140 miles and a width of from 25 to 50 miles had not within its limits more than 30 to 40 miles of railway. East of the City of Halifax and within the limits of the county, there are at least 100 miles, stretching to the limits of the county of Guysboro where there is absolutely no railway accommodation whatever. A part of that district is a splendid agricultural section where the people have to haul their products from 25 to 40 miles to a railway station. There are plenty of timber lands in that section, there is opportunity for great mineral developments, there is a great natural wealth; and although, as my colleague from Halifax (Mr. Crosby) has said, a railway from Halifax to Guysboro will not pay in the very first instance, there is reason to believe that it would pay before being in operation many years. I passed along the shore of the county of Halifax to the county of Guysboro last summer. I travelled altogether about 500 miles through districts not served by railways at all, and where railway development would mean a great deal to the people and lead to a considerable development in that little Province.

"I can tell the Minister of Railways a great many things I saw, I could speak of a great many districts where railway facilities might mean a great deal to the people, and might lead to very great progress and advancement in that little Province. I saw in the county of Guysboro, just across the line from the county of Halifax, one of the most splendid harbors that can be found anywhere in the world—Country Harbor. This harbor stretches back ten miles from the mouth, with water close up to the shore everywhere from 45 to 60 feet in depth, landlocked twice, and with a splendid roadstead outside, where in almost any weather, ships can

ride in safety and have ridden in safety without going outside.

"The people of Halifax County as well as those of Guysboro County, and those of other counties in the Province of Nova Scotia to which allusion has been made, have, it seems to me, fairly good reason to complain that their interests, in respect to railway development have not been properly attended to in the past. And especially is this true of the last fourteen years when the coffers of this country have been filled to overflowing, according to the boasts of the hon. gentlemen on the other side, and when huge projects of development have been undertaken. The Minister of Railways and Canals says that great projects of development have been and are being undertaken today. In that connection I have just this word to say: If the resources and revenues of this country are great enough to build 1,400 miles of railway through a practically uninhabited country between the city of Quebec and the city of Winnipeg, it seems to me there is good reason for the complaint on the part of the people of at least half-a-dozen counties in the Province of Nova Scotia, that the Intercolonial Railway has not been developed and carried into these counties. It seems to me, that where these people have been living for a hundred years—as, in many counties of Nova Scotia they have been—without opportunity for railway communication we might well have had a little regard for them before we commenced to build 1,400 miles of railway through a country with absolutely no population and of the resources of which we have no adequate knowledge, though at this moment the railway is now perhaps more than half constructed. It comes down simply to this: Does the Government of this country propose to maintain the Intercolonial Railway of Canada as a state-owned railway, or is it vacillating and hesitating, unable to make up its mind as to whether that road is to be a state-owned railway or is to be handed over to some private corporation for operation? I will assume for the moment that it is the intention of the Government, as I believe it is the will of the people of Canada, that the Intercolonial

shall still continue to be owned by the people of this country. Then I say, it is the duty of the Government under these conditions, to give the Intercolonial Railway, not only in the Province of Nova Scotia, but in every Province of Canada, that development and that extension which a private corporation would give to that road, should it pass into the ownership of such a corporation. This is no time for hesitation and vacillation. Make up your mind, and I hope you have made it up in the direction I have indicated, then, give to the Intercolonial the branches, feeders, extensions which would be given if it were owned by any of the great railway corporations." That is where Mr. Borden stood on the subject. The thing accomplished as a result of all this debate was no doubt due to the fact that he, together with the Maritime members, both Liberal and Conservative, supported it.

LIBERAL GOVERNMENT ACTION

I now desire to put on record what followed. What was the practical effect of all this argument? I propose to give documentary evidence without much comment so that there can be no mistake as to what happened, and I submit this evidence to the honest consideration of hon. gentlemen opposite and to the people of the country. The practical result of this debate was shown when the supplementary estimates were brought down in May, 1911. This statement appeared in those estimates, and I desire hon. gentlemen to remember that this statement was repeated in the estimates brought down by the present Administration. The statement is as follows:

"Towards the construction of a railway from a point on the Intercolonial Railway at or near New Glasgow, in the county of Pictou, (or from Sunny Brae in the said county, in the event of the branch line of railway to that place being acquired, as it may be under this appropriation) to the town of Guysboro, and from the said line of railway at Cross Roads, Country Harbor to the deep water of the said Harbor—\$1,000,000.00.

"Toward the construction of a railway from a point on the Intercolonial Railway at or near Dartmouth, in the county of Halifax, via Musquodoboit Harbor and the Valley of Musquodoboit to Dean's Settlement, in the said county.—\$1,000,000.00.

"Towards the construction of a railway from a point on the Intercolonial Railway at or near Alta in the County of Inverness to the Town of Baddeck, in the County of Victoria.—\$200,000.00."

This was the practical upshot of the debate on the question of branch lines, championed by both Liberal and Conservative members. The balance of the railway problem of Nova Scotia was being solved by this action more satisfactorily than it was possible to solve it in any other way. The next thing that happened was that the matter was handed over to the Department of Railways and Canals, and Mr. Bowden was directed to go ahead with the work of construction. This was done immediately after the estimates were brought down. Steps were at once taken to do two things, namely to check up the surveys and to reduce the grades at certain points, endeavouring to get the grade down to one-half per cent grades.

TENDERS CALLED

On August 12th and 25th, 1911, two notices were issued from Ottawa calling for tenders. I have here copies of the notices calling for tenders for the Sunny Brae and Guysboro branch, and also for the Dartmouth to Dean's Settlement branch, but I do not happen to have that for the Victoria County branch. The notice of the Sunny Brae branch appeared in The Morning Chronicle of Aug. 22nd, 1911, and was as follows:

DEPARTMENT OF RAILWAYS AND CANALS

Branch line of Railway from Guysboro to Sunny Brae through Country Harbor Cross Roads with an extension from Country Harbor Crossroads to Deep Water of Country Harbor.

Sealed Tenders addressed to the undersigned and endorsed "Tender for Guysboro—Country Harbor line", will be received at this office until 16 o'clock, on Friday, September 15th, 1911, for section No. 1 of the above line of railway, comprising that portion extending from Guysboro to Country Harbor Cross Roads and from the latter point to Deep Water, Country Harbor.

Plans, profiles, specifications and form of contract to be entered into can be seen on or after the 15th instant at the office of the Chief Engineer of the Department of Railways and Canals, Ottawa, at the office of the Chief Engineer of the Intercolonial Railway, Moncton; and at the office of the Board of Trade, Halifax. Forms of tender may be procured from the Chief Engineer of the Intercolonial Railway. Parties tendering will be required to accept the fair wages schedule prepared or to be prepared by the Department of Labor, which schedule will form part of the contract.

Contractors are requested to bear in mind that tenders will not be considered unless made strictly in accordance with the printed forms, and in the case of firms, unless there are attached the actual signature, the nature of the occupation, and the place of residence of each member of the firm.

An accepted bank cheque for the sum of \$100,000, made payable to the order of the Minister of Railways and Canals must accompany each tender, which sum will be forfeited if the party tendering declines entering into contract for the work, at the rates stated in the offer submitted. The cheque thus sent in will be returned to the respective contractors whose tenders are not accepted. The cheque of the successful tenderer will be held as security, or part security, for the due fulfilment of the contract to be entered into. The lowest or any tender not necessarily accepted.

By order, L. K. JONES,

Department of Railways and Canals,
Ottawa, August 25th, 1911."

Secretary.

The other day in this House the hon. member for Cape Breton, Mr. Butts, who I regret is not in his seat at the present moment, referring to this contract said that it was a fool contract.

MR. TANNER: The hon. member can not in this debate refer to statements made by another member in the course of another debate and proceed to reargue the question.

HON. MR. MURRAY: The point is no doubt correct.

MR. TORY: On August 14th, 1911, the following notice calling for tenders on the branch from Dartmouth to Deans, appeared in the "Morning Chronicle":—

"SEALED TENDERS addressed to the undersigned and endorsed 'Tenders for Branch Line, Dartmouth to Deans', will be received at this office until sixteen o'clock on Friday, Sept. 15th, 1911.

Plans, profiles, specification and form of contract to be entered into can be seen on and after the 15th instant at the office of the Chief Engineer of the Department of Railways and Canals, Ottawa; at the office of the Chief Engineer of the Intercolonial Railway, Moncton; and at the office of the Board of Trade, Halifax. Forms of tender may be procured from the Chief Engineer of the Department of Railways and Canals, or from the Chief Engineer of the Intercolonial Railway.

Parties tendering will be required to accept the fair wages schedule prepared or to be prepared by the Department of Labor, which schedule will form part of the contract.

Contractors are requested to bear in mind that tenders will not be considered unless made strictly in accordance with the printed forms, and in the case of firms, unless there are attached the actual signature, the nature of the occupation, and the place of residence of each member of the firm.

An accepted bank cheque for the sum of \$150,000.00 made payable to the order of the Minister of Railways and Canals must accompany each tender, which sum will be forfeited if the party tendering declines entering into contract for the work, at the rates stated in the offer submitted. The cheque thus sent in will be returned to the respective contractors whose tenders are not accepted. The cheque of the successful tenderer will be held as security,

or part security, for the due fulfilment of the contract to be entered into.

The lowest or any tender not necessarily accepted.

By order,

L. K. JONES,

Secretary.

Department of Railways and Canals,
Ottawa, August 25th, 1911."

MR. DOUGLAS—Were there any other tenders advertised for in connection with the Guysboro County Railway?

MR. TORY—I do not know of any other.

MR. DOUGLAS—With reference to Section 1.

MR. TORY—The road was to extend from a point at or near Sunny Brae to the deep waters of Country Harbor, and from Cross Roads, Country Harbor to Guysboro. For the purpose of construction it was divided into two sections, section one being from Guysboro to Cross Roads, Country Harbor, and section two, being from Cross Roads, Country Harbor to a point on the Intercolonial at or near Sunny Brae.

TENDERS ACCEPTED

On Oct. 5th, 1911, an announcement appeared in the Halifax Herald, and also on the same date in The Morning Chronicle, as follows:

"An order-in-Council has been passed awarding the contracts for the extensions of the Intercolonial in Nova Scotia for which the money was unanimously voted by Parliament last June, and for which the tenders were received over a month ago. The lowest tenderer in each case is awarded the contract. The branch from Dartmouth to Deans will be built by M. P. Davis, and the Guysboro County line will be built by the Nova Scotia Construction Company. The Government in awarding the contracts have simply complied with the mandate of Parliament and have followed the usual procedure in concurring in the recommendation of the Departmental Engineers as to the lowest figures submitted by the various firms tendering."

Now so far we had the money voted, the surveys completed, profiles prepared, tenders asked for, and tenders accepted, and on Oct. 6th, 1911, plans and profiles were fyled in the registry office at Guysboro with a view to proceeding with the expropriation of right of way.

CONSERVATIVE GOVERNMENT ACTION

Now we come to where the present Minister of Railways, Mr. Cochrane, took up the matter. His first act was a notice to both the Nova Scotia Construction Company, who were the contractors for the Guysboro branch, and to the Davis Company, who were the contractors for the Halifax branch, not to proceed with the work unless further notified. Later on the Davis Company were notified to proceed with the Halifax construction, and Mr. Cochrane proceeded to get rid of the Guysboro contract. I have in my hand a return which was recently brought down in the Federal Parliament, being Sessional paper No. 83 E, which gives the official record of the proceedings of Mr. Borden's administration to destroy the work done by Sir Wilfrid Laurier's administration in connection with the Guysboro Railway. The first document which I wish to put on record is a memo submitted to the Government by Mr. Cochrane on Feb. 10th, 1912, and is self-explanatory:

"February 10th, 1912.

"The undersigned has the honor to represent that, by newspaper advertisement, tenders were called for, to be sent in by the 15th of September, 1911, for the construction of a branch line of the Intercolonial Railway from Guysborough to Country Harbor Cross Roads and from the latter point to Deep Water Country Harbor.

"That, on submission of these tenders to the Governor-in-Council, an Order-in-Council, dated the 2nd of October, 1911, was passed authorizing the acceptance of the schedule rate offer of the Nova Scotia Construction Company, Limited, theirs being the lowest of the eight tenders received. On the 7th of that month the company were notified that their tender was accepted, and they were called upon to enter

into contract for the work. With their tender the Company had sent in a cheque for \$100,000 as security that they would enter into contract if called upon to do so. On the 10th of October this cheque was forwarded to the Finance Department with a request that they would deduct from it the sum of \$52,856 as the 5 per cent. security to be retained for the fulfillment of the contract, furnishing the Department with a cheque in favor of the company for the balance after such deduction. Under date the 12th of October, the Finance Department forwarded a cheque for \$47,144 in favor of the company, accordingly. This cheque, however, has not, up to the present time, been forwarded to them.

"In the meantime, under date the 11th of October, by telegram and letter the company were notified not to proceed with the work in question unless and until further directed.

"No formal contract has been made or prepared, and it is now considered desirable to abandon the project of constructing this branch at present, and to cancel such contract as may have been created by the above mentioned acceptance of the company's tender.

"The undersigned recommends that the contract so made with the company be cancelled, and that the authority be given for the return to them of the said sum of \$100,000.

Respectfully submitted,

F. COCHRANE,

Minister of Railways and Canals."

There did not seem to be much doubt about the intent of the Minister as set forth in this document. Now I come to the Order-in-Council referred to in the memo, and I wish to call attention to the fact that so hard and fast had the thing been done that it was necessary to pass an Order-in-Council to get rid of the contract, which further required the signature of the Governor General of Canada. It was not an enviable position in which to place the first man of Royal blood who occupied the position of Governor General of Canada, to require him as one of his first acts to take away from the people of Guysboro and Victoria counties the money that had been voted to provide

them with transportation facilities. Here is a certified copy of the Order-in-Council, assented to on the 12th day of February, 1912:

Certified copy of a Report of the Committee of the Privy Council, approved by His Royal Highness the Governor General on the 12th February, 1912.

"On a memorandum dated 10th February, 1912, from the Minister of Railways and Canals, representing:—

"That by Order-in-Council of the 2nd October, 1911, authority was granted for the acceptance of the tender of the Nova Scotia Construction Company, Limited, for the construction of a branch line of the Intercolonial Railway from Guysboro to Country Harbor Crossroads and from the latter point to Deep Water Country Harbor;

"That on the 7th October, 1911 the company were notified that their tender was accepted and they were called upon to enter into contract for the work;

"That under date the 11th October, 1911, by telegram and letter the company was notified not to proceed with the work in question unless and until further directed:

"That no formal contract has been made or prepared, and it is now considered desirable to abandon the project of constructing this branch at present and to cancel such contract as may have been created by the above mentioned acceptance of the company's tender.

"The Minister, therefore, recommends that the contract so made with the company be cancelled and that the authority be given for the return to them of the security deposit of \$100,000.00 which accompanied their tender.

"The Committee submit the same for approval.

RODOLPHE BOUDREAU,

Clerk of the Privy Council.

The Honorable, The Minister of Railways and Canals."

That was the death knell of the Guysboro Railway as far as the Borden Government was concerned.

MR. MARGESON: Did the late Government accept the contract after they had been defeated at the polls?

MR. TORY: Yes, and they did so quite properly for they were still the Government of the country. It is the usual thing for certain things that are left over to be cleared up by the retiring Government, because they are more familiar with the details, especially in cases where the matter was entered into with the unanimous consent of Parliament.

Now, I would like to read another letter on the subject written by Mr. Cochrane, the Minister of Railways and Canals. There seemed to be such great care that this railway project should be absolutely killed that this letter was sent to Mr. Pottinger with special instructions that it should be delivered to the Nova Scotia Construction Company, personally by a responsible officer of the staff. The letter is as follows:

"Ottawa, Feb. 29th, 1912.

Original of this letter, with enclosures mentioned therein, served on the Nova Scotia Construction Co. Limited, at Sydney, on Thursday, March 7th, 1912.

A. M. McLELLAN.

"Sirs—On the 11th October last, you were notified by letter and telegram not to proceed with the work of constructing a branch of the Intercolonial Railway between Guysboro and Country Harbor unless and until further directed.

"It having been decided that this branch should not be built at present, an Order-in-Council has been passed, under date the 12th of February instant, cancelling such contract as may have been created by the acceptance of your tender.

"I enclose a certified copy of this Order, at the same time returning to you the deposit of \$100,000 sent in by you with your tender, to which there has been added by the Finance Department interest on the sum of \$52,856 lodged with them for safe keeping, as the 10 per cent security that would have been required from you in the premises."

Your obedient servant,

F. COCHRANE,

Minister of Railways & Canals,
The Nova Scotia Construction Co., Ltd., Sydney, N. S."

I also desire to put on record the letter of instruction referred

to which was sent to Mr. Pottinger by the Secretary of Railways and Canals, so that the care of the Minister to get rid of the Guysboro road may be established by irrefutable evidence.

February 29th, 1912.

"Sir:—I enclose herewith, for personal delivery by a responsible officer of your staff, a letter from the Minister to The Nova Scotia Construction Company, Limited, at Sydney, N. S., covering a certified copy of an Order-in-Council, passed on the 12th of February, instant, cancelling such contract as may have been created by the acceptance of their tender for construction of the branch of the Inter-colonial Railway between Guysboro and Country Harbor, it having been decided not, at present, to build this line; and further, covering two cheques of the Finance Department aggregating the sum of \$100,000, the amount sent in by the Company with their tender, together with interest allowed by the Finance Department on the portion deposited with them as the 10 per cent security that would have been required.

The Minister's letter is sent in duplicate, and you will be pleased to have endorsed on the duplicate a certificate of service of the original of the company by the official whom you may detail for such service, returning the duplicate to the Department.

Be pleased to give immediate attention to the matter."

I am, sir,

Your obedient servant.

L. K. JONES,

Secretary.

D. Pottinger, Esq., I. S. C.

Assistant Chairman

Government Railway Managing Board.

Moncton, N. B.

Now that was not all. That got rid of the legal side of the question as far as the company was concerned, but to be sure that there was no possibility of the railway again coming to life, another document was required to finish it in proper form. This

appeared in a letter dated August 9th, 1912, and signed by J. D. Reid, a worthy man for such a purpose:

CANCELLATION OF EXPROPRIATION PROCEEDINGS

To all whom these presents shall come or whom the same may in any way concern.

Whereas, the Honorable the Minister of Railways and Canals for the Dominion of Canada on the 6th day of October, A. D., 1911, caused a plan prepared under the provisions of "The Expropriation Act" being Chapter 143 of the Revised Statutes of Canada, 1906, to be deposited with the Registrar of Deeds for the county of Guysboro in the Province of Nova Scotia, and whereby the lands and premises shown thereon intended for the purposes of the railway known and designated as the Inter-colonial Railway, Branch Lines, Sunny Brae to Guysboro, and Country Harbor, a public work of Canada, became or were intended to become vested in His Majesty the King, and whereas no compensation money has yet been paid by His said Majesty for the said lands and whereas the said lands have been found to be unnecessary for the purpose of the said public work. Now therefore pursuant of and by virtue of the provisions of Section 23 of the said Act, I, John Dowsby Reid, acting Minister of Railways and Canals of Canada DO HEREBY DECLARE THAT THE LANDS ARE NOT REQUIRED AND ARE ABANDONED BY THE CROWN.

(Sgd.) J. D. REID,
Acting Minister of Railways
and Canals.

Witness my hand at Ottawa this 9th day
of August, A. D., 1912, Signed in presence
of L. K. JONES.

Attached to this document was the certificate of a Notary Public authenticating the signatures connected therewith.

Thus ended the chapter as far as the railway project undertaken by the late Liberal Administration was concerned in connection with the counties referred to, and it was made

clear that there should not be a shadow of doubt left as to what was the intention of the present Government with regard thereto.

MR. MARGESON—Has my hon. friend a copy of the contract with the Nova Scotia Construction Company?

MR. TORY—There was no formal contract. There was the acceptance of the tender, which was in itself a contract.

MR. MARGESON—Was there an acceptance of tender to build from New Glasgow to Country Harbor Cross Roads and to Guysboro? What did the Nova Scotia Construction Company undertake to build under the contract accepted October 7th, 1911?

MR. TORY—I have read what they undertook to build. In the first place in the estimates brought down the road was intended to be built from a point at or near New Glasgow to the deep waters of Country Harbor via Country Harbor Cross Roads and to Guysboro. The road was divided into two sections. Section one, was from Guysboro to Country Harbor deep waters. Section two, was to complete the road to a point at or near New Glasgow. In regard to section one, there was no dispute as to the route or surveys, the matter was absolutely clear. I had a conversation with the Chief Engineer of the Department of Railways with regard to it. As to the other part of the road there were two points of difficulty to be settled in the future. First, it was left open as to whether they should buy out the Sunny Brae branch, or whether the road should go from a point near New Glasgow down the East River to St. Mary's, and thence to Country Harbor. It took time to see whether they could get that branch, but it was finally bought. Then there was some doubt as to whether the road should go down the East or West branch of St. Mary's River. That was why the second section was held up.

MR. TANNER—What was the doubt as to the route?

MR. TORY—It was an engineering difficulty. There were some things in favor of the East branch route, and some things in favor of the West. There were more people on the East branch, but an easier route on the West.

MR. TANNER—Is my hon. friend aware that this Government had located a line and reported it to this House as settled?

MR. TORY—I understand from Mr. Bartram that both locations had been made, and it was a question which was easier. In speaking of this matter to the Chief Engineer of the Department of Railways and Canals, I said: "Do you see the great fishing grounds off the coast of the county of Guysboro? You tell me that you expect an enormous output of coal to go from Pictou County, but I tell you, that your south going freight from the coal mines of Pictou does not compare with the north going freight from the fishing banks of Guysboro County." I said to Mr. Bowden that for my part I was willing that a competent engineer should decide on the best route to connect with the Northern markets, which it was hoped would be reached by means of this railway.

CAUSES LEADING TO CANCELLATION OF CONTRACT

I now wish to discuss some of the causes which I conceive led to the action taken by the Federal authorities. I think it only fair that we should ascertain if possible what the reasons were which led the Government to deprive the people of Guysboro of one of their highest hopes. Nothing has happened to that county in years that has brought to them so much discouragement and despair as this action of the Federal authorities in connection with this matter.

The first cause as I understand it, was the political unreliability of the Prime Minister of Canada. Everybody knows, as far as this road was concerned, and nobody better than the hon. leader of the Opposition, that both parties, Liberal and Conservative, were pledged to the hilt to build the road. The hon. leaders of the Opposition had spoken time and again condemning this Government for not having done more. At the Truro Convention, the Liberal Party of the Province was condemned in the strongest possible terms for not having attended to this railroad matter before this, and in the House of Commons at Ottawa, Mr. Borden, as I have shown, not only took the side of the Liberals in advocacy of these branch lines, but he also stumped the county of Guysboro with the candidates and told the people, in effect, "Give us a chance and we will show you how

to build the Guysboro Railway." The people have had their answer in the documents I have read. More than that, Mr. Borden came to Halifax during the last election and issued a manifesto to the people of Halifax County claiming credit for the branch lines. Speaking to the people of Halifax County, he said:

"Railway extension through the eastern part of the county has for many years been urgent. For fifteen years the Federal Government with abounding revenues has remained indifferent and inactive. During the past session, while both Federal and Provincial Governments were trifling with the question, I took the ground in Parliament that the road should be built as part of the Intercolonial Railway, and without delay. As a result of this the Federal Government has apparently been awakened to a momentary sense of its duty, and an item of \$1,000,000.00 has been inserted in this year's estimates for the commencement of the work."

Then, when he got into power he selected his own piece of railway, and cancelled that which he had promised to the people of Guysboro.

SELFISHNESS OF HALIFAX

I come to another phase equally important. The next cause for cancellation of the contract which I assign may seem a strange one to make, but enquiry will soon find there is truth behind it. One of the things that has for years been operating against the securing of railway facilities in Guysboro has been the antagonistic attitude of the business interests of the city of Halifax. For years and years these interests have been so afraid of Country Harbor as an open port, that they have used every legitimate means to stop the building of this road.

DOMINANCE OF ONTARIO AND MANITOBA

The next cause, and one of no doubt greater importance was the dominating influence over the Prime Minister, of Messrs. Cochrane and Rogers representing Ontario and Manitoba. Since

the days of Confederation, Ontario has been hanging like a mill stone about the neck of Nova Scotia. It was in a large measure to save Ontario from an impossible situation, and to give weight to her influence against Quebec, that we were drawn into Confederation. They said to us in effect, "Come in with us and we will do great things for you, with our united influence we will be able to secure Reciprocity with the United States." But when after years of waiting, the opportunity to secure Reciprocity came, Ontario robbed us of it. I propose to submit one or two facts which I think will very clearly show the dominating influence of this Province. They evidently wanted money in Ontario, and Mr. Borden and Mr. Cochrane undertook to get it. The following resolution which was moved by the Prime Minister of Canada will indicate what I mean:

"Mr. Borden moved that the House do to-morrow (Mar. 22nd, 1912) go into committee of the whole to consider the following resolution:

'RESOLVED, that it is expedient to provide as follows:

(1) That the Governor in Council may grant to the Government of the Province of Ontario a subsidy not exceeding \$6,400 per mile, not exceeding in any case the number of miles hereinafter respectfully stated.

(i) For the line of railway from North Bay on the Canadian Pacific Railway to Cochrane on the Grand Trunk Pacific Railway; not exceeding 252.8 miles (ii) for the following branch lines of railway: (a) from Englehart to Charlton, not exceeding 7.8 miles. (b) from Cobalt to Kerr Lake, not exceeding 3.9 miles. (c) from Iroquois Falls to Timmins: not exceeding 33.16 miles. (d) from Nipissing Junction to North Bay, not exceeding 2.18 miles.

"(2) That the subsidies hereby authorized shall be payable out of the consolidated revenue fund of Canada at the option of the Governor-in-Council, and may be paid upon the certificate of the chief engineer of the Department of Railways and Canals as to the mileage constructed, in such manner and in such amounts, and subject to such conditions, if any, as the Governor-in-Council deems expedient.

"He (Mr. Borden) said: His Royal Highness the

Governor General having been made acquainted with the terms of this resolution has been pleased to give his assent thereto."

The Minister of Railways was putting his hand into the pockets of the fishermen and farmers of Guysboro, and taking away the money voted for railway construction in that county, while at the same time Mr. Borden was providing to give the money taken from the people of Guysboro over to Ontario. This subsidy would amount to \$1,908,976. But what about this Northern Ontario Railway? Here was a railway built four or five years previously that was earning a net revenue of half a million dollars a year, built as a Government owned road, and yielding large dividends. Yet the Prime Minister undertook to hand over to the Province of Ontario nearly \$2,000,000 on account of that railway. The ex-minister of railways, Mr. Graham, speaking on this subject, said:

"If I were Ontario I would not ask for these millions from the Dominion Treasury. I am stating sincerely as a business man, and a representative of Ontario, that I would not do it, and I say that honestly. This road has proved a great success, it is a valuable property, worth as much money as the Ontario Government has spent on it, I presume and more, because it would cost from twenty to forty per cent more to construct it now than it did at that time. It is a great asset for the Province, and has passed beyond the realm of experiment. The giving of this subsidy does not open up one acre of land or give transportation to one single individual."

MR. SINCLAIR of Guysboro in speaking in connection with the same matter said:

"I took the trouble to look at the account of the treasurer and I find that in 1909 the commission paid to the treasurer of Ontario \$550,000, and in 1910 it paid \$420,000, and carried forward to rest \$238,176.60. (Total \$1,158,172.60). I have not been able to get the figures for 1911."

That is what happened in connection with that item. The money was deliberately taken away from the county of Guysboro and handed over to the Province of Ontario or attempted to be

handed over, as a subsidy to a road that was already built and paying dividends.

Now we come to the Province of Manitoba. This Province with a population less than that of Nova Scotia has at present a subsidy from the Federal Government of \$1,450,757.14, while that of Nova Scotia is only \$636,666.86. This large subsidy to Manitoba is the result of a deal put through by Mr. Borden and Mr. Rogers in 1912. Mr. Roblin, Premier of Manitoba, in speaking of the terms granted said:

"Now let us recapitulate and see just what our financial benefits are as a result of the rearrangement of the terms with the Dominion.

Increase in subsidy.....	\$ 202,636.58
Increase in lieu of lands.....	313,278.53
Allowance on public buildings.....	201,723.55
Arrearages.....	2,178,648.57
Total cash accruing to the Province as at this date as a result of the settlement.....	\$2,896,387.25

"Coupled with this comes the increase that comes in lieu of lands as our population increases up to the time when we will receive \$1,125,000 per year. This along with the extended boundaries, in a word, is what the Bill before us secures for Manitoba".

That is possibly where the money voted for the county of Victoria went. They had to get it somewhere, and it seemed necessary to rob Nova Scotia in order that it might be handed over to Ontario and Manitoba. In addition to that, for railways and canals outside of the Intercolonial Railway, there was voted in the estimates of 1912-13 the sum of \$36,000,000, of which not a dollar, as far as I know, was spent in Nova Scotia. In the estimates for 1913-1914 there was again provided for the same purposes the enormous sum of \$31,314,000. The matter is very ably summed up by Mr. D. D. McKenzie in a speech delivered in the House of Commons on March 28th, 1912. This is what he said:

"We are told that the Province of Manitoba is entitled to great consideration because the people there are pioneers.

I want to tell the Prime Minister that there are no greater pioneers in Canada than he will find in the Province of Nova Scotia. They came here 200 years ago and found nothing but a wilderness, Indians and woods down to the waters. They took their axes in their hands and cut down the trees and began to cultivate the soil. They have been there for the last 200 years, and yet they have no railway. Are they not pioneers, are they not entitled to some consideration? They have paid their share of the taxes for the last 200 years, they have discharged their duties of citizenship ever since Confederation, and when we had \$200,000 in the estimate last year for the purpose of giving them railway communication, now the Minister of Railways strikes it out. What is he giving elsewhere? He is giving \$26,000,000 in subsidies to different parts of the country; he has given \$2,000,000 to the Province of Ontario; he has given \$1,175,000 to the Canadian Pacific Railway and to other roads for bridges all over Canada. The great and successful concern the Canadian Pacific Railway, with so many millions that they do not know what to do with them, are given some hundreds of thousands of dollars to build bridges which they can well afford to build themselves The Minister of Railways has given \$6,300,000 to the Province of British Columbia against which I have nothing to say. We have altogether something like \$35,000,000 scattered all over this country, and how much does Nova Scotia get out of it? There is one little bit of a line getting \$192,000, amounting according to population, to some 40 cents a head to the people of Nova Scotia; when there is something like \$4.50 per head for the people of the whole Dominion given in railway subsidies and for other enterprises in this country."

That was Mr. McKenzie's statement, and he put it clearly as it should be put.

REACTIONARY POSITION OF MARITIME CONSERVATIVE
MEMBERS

The next cause to which I wish to refer is the reactionary position taken by the Maritime Conservative members subsequent to 1911. As I have already stated, this cause for branch lines was won because of the fact that both Liberals and Conservatives stood together in support of it. But immediately upon a change of Government when the Conservatives came into power, there was a change of front on the part of the Conservative members. We had Mr. Stewart of Lunenburg; Mr. McCurdy, of Queens; Mr. Jamieson of Digby; Mr. Davidson of Annapolis; Mr. Foster of King's; Mr. Tremaine, of Hants; Mr. Stanfield, of Colchester, all supporting the Government, and as far as I know there has not been a word of protest from any one of these gentlemen. If they had said it was a matter to which the party was pledged, or if they had said it was a matter that was vital to the interests of Nova Scotia, does anyone think that these cancellation proceedings would have been allowed to go through? But apparently all that these Nova Scotia members cared was to see that Halifax was satisfied, and the rest of the counties could go to the dogs.

Another cause of importance was the alleged antagonistic attitude of some of the local leaders of the Conservative Party in Nova Scotia. In 1908, the hon. Leader of the Opposition, Mr. Tanner, himself asked this Government to appeal to the Government at Ottawa to have these roads built. He said if they could not build the roads themselves, why not get the Federal Government to deal with the subject? At that time the hon. gentleman was evidently in accord with that view. But now where does he stand? Where is his patriotism? Is it on a par with the patriotism of the members of his party at Ottawa? I can scarcely believe it. It is hard to believe that the hon. leader of the Opposition could be inveigled into taking a position that must be regarded as inimical to the interests of the Province of Nova Scotia. At the same time, in the absence of other evidence, one can only judge of the position taken by the hon. Leader of the Opposition from what is stated in the

public press. Prior to the last election they stated through the press and on the public platforms that the Conservatives, if returned to power, would build the Guysboro railroad, and it was reported that some of them went so far as to say, that if the Government would not do it they would build it themselves. On declaration day, Mr. Sinclair, speaking at Guysboro, said he could assure the people present that if the new administration adopted the policy of the late Government in respect to the building of branch lines, they would have his support.

Mr. Rowlings rose and said that they would not follow the policy of the late Government, what they proposed to do was to build the road, that the policy of the Conservative Party was a policy of construction. I regret to have to say, that instead of it being a policy of construction, it has so far been a policy of destruction. In connection with the attitude of certain local conservative leaders, I would like to quote an article published in the Eastern Chronicle, on Aug. 27th, 1913:

"The Guysboro railway would now be half built if it were not for such Tory bosses as G. A. Rowlings, S. R. Giffin, John S. Wells, and G. T. McNutt. The disaster of Sept. 21st, 1911, placed their party temporarily in power. What did they do? Did they try to carry out the contract made by the Laurier Government? Did they insist that the money voted by the late administration to give railway facilities to Guysboro and East Pictou should be honestly spent for that purpose? Did they point out to Mr. Borden that he had solemnly pledged his honor when in opposition that he would build this branch line and that he should not now violate his pledge? Did they insist that Mr. Borden should treat Guysboro County as well as Halifax County? This is what was expected of these gentlemen, but they were found wanting. Shortly after their victory they participated in a certain Belshazzar's feast in Halifax, and were present at an interview with Mr. Borden and Mr. Cochrane, the Minister of Railways, when this question as to the fate of the Guysboro branch line was settled. Not only did they fail to stand for the rights of the county, but they consented that the Minister should throw the whole scheme

overboard with the hope of reviving it again as a Tory election kite. The Minister gladly acquiesced with the result that everybody knows. Does anyone imagine that if Mr. Rowlings and his fellow conspirators had stood out like men for the interests of Guysboro, Mr. Borden would have dared to hold the Halifax contract and cancel the Guysboro one? Does any one imagine that if Mr. Rowlings was not a consenting party to this outrage he would have been as silent as a clam for a whole year in his paper, 'The Guysboro Times'? There is not the slightest doubt that these wreckers put the boulders on the track, and the people of Guysboro County will not fail to hold them responsible."

I give this for what it is worth.

Another article, which touches my hon. friend the Leader of the Opposition, appeared in the same paper on Jan. 18th, 1912. It says:—

"Another man that is, we suspect, playing into the hands of Halifax and against the interests of his own county is C. E. Tanner, M.P.P. The hold-up is so unlike Senator Bell that we hesitate to charge him with a share in that and the hold-up in the Thorburn Railway."

That was a statement made in a reputable paper in the Province of Nova Scotia, and so far I have not seen it denied by any one of those concerned in the matter.

With regard to other members of the party, the only hon. gentleman whom I have heard declare his position on the matter, was my hon. friend from Cape Breton, Mr. Butts. Last session he declared in this House that the contract was never cancelled, and then the other day he declared it was a foolish contract. In this connection, I wish to state that if this hon. member will go down to the county of Guysboro and repeat that statement, he has better courage than I give him credit for.

The last cause to which I wish to refer is the indifferent attitude of the Conservative press. The Halifax Herald some time ago produced a long article on the unfair treatment that Nova Scotia had received from the Federal Government, but when it came to its appeal for what was needed it came down to

doing something for Halifax. To the Herald, Nova Scotia is Halifax.

Mr. Speaker, when the debate was adjourned I had pretty well concluded my argument on the resolution under consideration. I now propose to examine the defence set up by those who had been parties to the taking away from the counties of Guysboro and Victoria, the moneys voted for railway construction in those counties, while at the same time they allowed the contract in favor of the county of Halifax, Mr. Borden's own county, to remain though made under exactly similar conditions, by the same Government, on the same form of tender, and on the same notice, accepting that contract although it had been made by the Liberal Administration. They accepted the contract which related to Halifax, but they got rid of the contract that related to the county of Guysboro.

THE GOVERNMENT'S DEFENCE

What defence has been offered? Hon. members opposite will admit, in their hearts at least, that there is absolutely no sound defence possible, but of course some form of excuse had to be made to make the transaction look a little better. To their credit be it said, that most of the Federal conservative members, when the matter was brought up in the House, were silent. There were a few, who when hard pressed by the circumstances of the case, attempted to put up some justification for the proceeding. The Government had been asked what it was going to do. When the present Government brought down their first estimate for the year 1911-1912, all three votes for the construction of railways in Nova Scotia remained as voted by the Liberal administration. When the next estimate was brought down only the vote for Halifax County remained, the other two were eliminated, and an amount of \$85,000 substituted to pay for surveys. And when the estimates for 1913-1914 were brought down, nothing remained but the vote for Halifax. Mr. Borden's defence in substance was: "We cannot do everything at once, there are a great many claims to be met, and the estimates are running very high." At the same time the revenue had in-

creased from one hundred and one millions in 1910, to one hundred and seventeen millions in 1911, and in the year 1912, the revenue had reached one hundred and thirty-six millions, or an increase in two years in excess of the total revenue of 1895.

The next excuse of the Premier was a rather remarkable one. In substance he said: "Don't be downhearted. There is a very progressive Government in office, and you may expect that a progressive Government will do whatever is necessary in the interests of the Province." So far as the County of Guysboro was concerned, the progress was made like a lobster, backward. They were not showing much progressiveness by way of constructing railroads in Guysboro, but on the contrary, were taking every legal step to get rid of the provision previously made for such construction. That was the substance of the defence made by the Premier, and it does not require any skilful analysis to show that it was more bluff than defence.

The champion defender, however, was Mr. Rhodes from Cumberland, and one of the arguments of that gentleman was that he had some doubt as to the speed with which the late Government would have gone forward with the work after election, but when his position was challenged as to whether he believed that the matter was dealt with seriously and honestly by the Government, he had to back down. But the chief argument used by Mr. Rhodes, and after all it was the one that lay at the foundation of the whole situation, was this: After accusing the Liberal party of using this railroad as a matter for electioneering, he said: "Surely my hon. friend will not begrudge them (the Conservative party) just one election on this railway." This appears to be the key to the whole situation with regard to the cancellation of the Guysboro contract. The object of the delay was to use it as an election kite at the next election. This may be all very well, but I have my opinion about the judgment of men who would attempt in the county of Guysboro to use this railway as an election kite after publicly announcing that such was the intention.

Another man who attempted to set up a defence was the Member for Digby, Mr. Jameson. He is the gentleman who propounded that marvellous argument in regard to market for

fish in connection with the reciprocity debate. I had the pleasure of listening to his argument in which he proved to his own satisfaction at least, that the American market for fish was a three million dollar one, and the Canadian market was a ten million dollar one, while the fact is that the fish produced in the United States in 1910, the year he was dealing with, amounted to sixty-one million dollars and they had imported over thirteen million dollars worth besides, while Canada had produced twenty-nine million dollars worth of fish products, of which they had exported over fifteen million dollars worth. Mr. Jameson's argument in connection with the Guysboro Railroad was about as sound as it was in connection with Reciprocity. It consists chiefly in congratulating the Government upon having attempted to do great things for the port of Halifax, and in accusing the Liberals of being in a much greater hurry now that they had been for the past fifteen years. No answer to such a defence is necessary, it is simply absurd.

The next defence was that of Mr. F. B. McCurdy of Halifax, who argued that the Government should have more information, and that it was dangerous to enter into such an expenditure without full knowledge of the facts, while everybody knows that there was abundant information on the subject. As far as surveys went, Mr. Cochrane himself had admitted that they were sufficient.

The next man who attempted to defend the Government's action was Mr. Cochrane himself. In fact, he was the chief spokesman and it is interesting to note the twisting, squirming, and dodging of this hon. gentleman. He said that the Government required more information with regard to conditions and he wanted evidence to justify the construction of the road. On Jan. 18th, 1912 he enunciated the principle that this road if it were built must pay interest on the capital expenditure.

Mr. Graham, his predecessor, stated the Liberal position in the following words:

"What I want to say, and say strongly is this: While we are aiding and building railways in the West—and properly so, it is our duty to give the people whom we are bringing into this country railway accommodation—we ought not

to forget that in the Eastern part of Canada we have families who have been there for many generations and who have no railway but the trunk line of the Intercolonial Railway; and unless other railways are to be allowed to come in and take possession of these branch lines and build others, it is the duty of the Government to see to it that the people of Eastern Canada have proper railway accommodation. If in doing so they can make a profit, well and good; but the making of a profit by building or leasing these lines ought to be the second consideration and the accommodation of the people the first."

These two statements represent the principles of the two parties since 1911, and it would not be difficult to decide which is in the interests of Nova Scotia.

On February 1st, 1912, another twist was taken by Mr. Cochrane when he was cornered as to his reasons for abandoning the Guysboro branch. Then he said he wanted more surveys, while he brought down in the estimates the sum of \$85,000 to pay for surveys already made. He wanted more surveys to find out where the road should go, and this in further contradiction of the position taken in regard to surveys on Jan. 22nd, 1913 when he declared that the former surveys were sufficient, in the following words:

"The Minister of Railways and Canals investigated this matter of the branch line from Sunnybrae to Guysboro, and after discussing it fully with the engineers it was ascertained that the preliminary surveys were sufficiently complete to determine the feasibility of the line, and that no further surveys would be required until it was decided by the Government that the line should be constructed."

That was his definite statement on Jan. 22nd, 1913. On the same day he enunciated a new principle. He saw no other way of escaping from the criticism which the stoppage of the work had evoked, and he then declared that he wanted to know more about the traffic. That seemed to be the last hole that he attempted to get out of, and I propose to block that one. I will give some facts with regard to the possible traffic, and I will further say that if the Minister of Railways and Canals had made

enquiry he would have found that experts had gone over the line and investigated the question of traffic, and that all the facts were available. It is quite clear that this was but another subterfuge.

FACTS ON TRAFFIC

Experts have gone over this route twice and reported on the traffic. Messrs. Archibald and Donkin, both experienced railway men went over the route some years ago, and made a report on the question on traffic from which I propose to read a few extracts. In connection with the report I desire to refer the hon. members to a map, which I have had prepared showing the fishing grounds in proximity to the southern terminus of the road and its suggested extensions to Canso, also the proximity of the Pictou coal fields to the Northern terminus of the route. In their report Messrs. Archibald and Donkin said:

"The writers of this report are both familiar with the districts now served by existing railways in Nova Scotia, Cape Breton, and the adjacent Province of New Brunswick and Prince Edward Island. They have no hesitation in stating that hundreds of miles of these roads cover territory that does not compare in population, wealth, and sources of traffic with the country it is now proposed to open up with this line. An examination of the map enclosed with this report will show that Eastern Halifax, the southern portion of Pictou and Antigonish and practically the whole of Guysboro counties are at present without any railway facilities whatever. The fertile valleys of the Musquodoboit and St. Mary's rivers have a large and thrifty population of farmers and lumbermen. The flourishing gold mining industries at Goldenville, Isaac's Harbor, and many other places in these counties give employment to a great number of miners. The fishing industries along the southern shore also afford profitable occupation for labor, and are suffering from want of proper railway facilities. The lumber industry is also of great importance and has reached its utmost economic development without further railway facilities.

"At present the country between Guysboro and Wyse's Corner is dependent upon connection with the I. C. R. and its present points. For instance the people of Isaac's Harbor, Goldenville and Sherbrooke make their nearest connection at Antigonish—from 50 to 60 miles; those at Sheet Harbor Liscombe, and Salmon River at Hopewell or New Glasgow, about the same distance; those in the Musquodoboit and Stewiacke valleys at Truro, Brookfield, and Shubenacadie, from 20 to 40 miles. This applies to the bulk of the freight as well as the passenger traffic. In another portion of this report, reference is made to the fertile value of the Musquodoboit and St. Mary's valleys. Excepting the Annapolis Valley, these are the equal of, and will compare favorably with any other agricultural district from a standpoint of prospective traffic. Special mention may be made of Lochaber and Argyle in Antigonish Co., and the Salmon River Valley, Guysboro Interval, Manchester, and Boylston in Guysboro County. These districts would yield as much local traffic as corresponding districts along the I. C. R. from Truro to Mulgrave.

"GOLD MINING. Of all sources of traffic in sight it would appear to us that the gold mining industry occupies first place. It has now arrived at that stage of development where railway connection with the outside world is almost absolutely necessary.

"FISH TRADE. Good prospects for carrying fish.

"TIMBER. Good prospects for lumber close to the railway. Hardwood has scarcely been touched. This is an attractive item of traffic. Much remaining soft wood which cannot be stream driven, and must be moved by rail.

"TOURIST TRAFFIC. This route would command its full share coming to Nova Scotia.

"As an illustration of how much importance is attached to heavy traffic territory by railway managers it might be well to direct your attention to the gold and coal mining industries of British Columbia. It is only about five years since development began in the southern district of that Province. Five or six years ago it was a great wilderness,

now it has from 400 to 500 miles of first-class railway through a country where the cost of construction is probably double that of the line which is the subject of this report, and perhaps the mining districts served are not greater in extent and value than those that will be tributary to this proposed railway."

In addition to this there was a report made by Mr. Louis Whitman, C.E., in 1908, with reference to this very branch. Mr. Whitman's report contains the following:—

Ferrona Junction to Country Harbor 64 miles. Route—Nova Scotia Steel line to Sunnysbrae, East River St. Mary's to Melrose, thence via Country Harbor Cross roads and down east side Country Harbor. Population directly on line including Ferrona 6680. Population reached by coach from Melrose 2,005. There would be other shore population that this railroad would serve, so that we may figure on the population being an average of 140 per mile. On the same basis as used in the estimate of probable revenue between Halifax and Glengarry this would be: Revenue from local population for passengers and freight traffic, 140 per mile at \$7.00 per head \$980.00. Operating expenses, one freight train, and one passenger train each way daily at \$1 per train mile, 313 days at \$4. equal \$1256. Balance to be made up equal \$276.00.

Other sources of revenue would be chiefly lumber and fish, with the possibility of Country Harbor developing into an ocean terminal for through freight. Country Harbor is well situated for carrying on a large lobster and fresh and salt fish business, and this would undoubtedly follow as soon as railway communication was established. This would be all long haul business for the railway. The lumber output on the line would average 2,000 cars per annum at least, or about \$200 per mile. In the mining line the Country Harbor end of the line touches the best gold mining districts of Nova Scotia, and large operations are carried on at the present time. These mines would undoubtedly be a large source of revenue in the way of freight and passengers, with the possibility of handling ore or concentrates from new

mines to the present plants. The only other mining interests are at Sunnybrae where there are deposits of iron ore and limestone at one time operated in connection with the Ferrona Blast Furnace. Putting the fish and lumber business down at a low figure and omitting any mining possibilities it will be safe to figure on a revenue of \$350 per mile in addition to that stated above, making probable excess revenue as follows:

	<i>per mile</i>
Probable revenue from local population.....	\$ 980.00
Probable revenue from mails.....	50.00
Probable revenue from other sources.....	350.00
	<hr/>
	\$ 1,380.00
Operating expenses.....	1,256.00
	<hr/>
Excess revenue.....	124.00

"To this can be added tourist travel and other possibilities that cannot be estimated, and a yearly increase of at least five per cent. of the traffic shown above, which leads to the reasonable conclusion that this section of the line would yield a fair return for a line not costing over \$20,000 per mile, including the subsidies. No mention has been made of coal freights and a large traffic could undoubtedly be worked up, as Country Harbor is only sixty-eight miles from the coal fields of Stellarton, and would be an ocean port equal to Halifax if provided with dock accommodation. In order to get at the possibilities of developing a fresh fish freight from Country Harbor we can take the Canso trade via Mulgrave as a basis. The Canso fish freight from 1896 to 1907 was as follows:

<i>Year</i>	<i>Tons fresh Fish</i>	<i>Value</i>	<i>Freight paid</i>
1896	900	73,000.00	6,460.00
1897	987	77,600.00	9,596.00
1898	1415	99,050.00	11,312.83
1899	1353	94,710.00	14,443.00
1900	1450	100,000.00	16,500.00

<i>Year</i>	<i>Tons fresh Fish</i>	<i>Value</i>	<i>Freight paid</i>
1901	1400	133,000.00	19,760.00
1902	1800	126,000.00	18,720.00
1903	1600	112,000.00	16,840.00
1904	1700	127,000.00	17,680.00
1905	2201	164,070.00	23,032.06
1906	3154	220,780.00	29,063.00
1907	3156	220,920.00	27,417.70

"The fresh fish business has only been carried on for ten years at Canso, and has increased from 990 tons to 3,156 tons, and will be increased to 5,000 tons inside of four years if the business is pushed at all. The fishing is not carried on at Canso during the Lenten season when the demand is greatest and on the rest of the coast in the vicinity of Country Harbor, the population is idle from the first of December to the first of April. At the present time the Montreal markets and those of the West are supplied during the Lenten season from Gloucester with fish caught on Sable Island and Nova Scotia banks only two to four hours sail from Country Harbor, and from two to four days' sail from Gloucester.

"It may be noted that the crews of the Gloucester vessels are composed chiefly of Nova Scotians, so that to transfer this fresh fish business to a port like Country Harbor would keep our own people at home. It will be seen that with rail communication, 64 miles from Country Harbor to Ferrona Junction, fresh fish could be landed in Montreal before the American vessels land at Gloucester, and consequently a better price can be obtained, and our fish would get the preference. The following figures will give an idea of the capabilities of the fresh fish business on the coast from Canso to Country Harbor.

<i>Place</i>	<i>Probable shipment of Fish at once. tons.</i>	<i>Probable shipment after five years. tons.</i>
Country Harbor.....	200	2,000
Isaac's Harbor.....	1,000	3,000
Goldboro.....	1,000	4,000
Drum Head.....	500	3,000
New Harbor.....	500	2,000
Little Harbor.....	100	500
Tor Bay.....	200	2,000
	<hr/> 3,500	<hr/> 16,500
Larry's River.....	500	3,000
Charlos Cove.....	200	1,000
Cole Harbor.....	300	2,000
Port Felix.....	500	4,000
White Head.....	1,000	5,000
	<hr/> 2,500	<hr/> 15,000
Queensport.....	1,000	4,000
Dover.....	1,000	4,000
Canso.....	5,000	15,000
	<hr/> 7,000	<hr/> 23,000
Total.....	13,000	54,500

"There is no fishing done during the Lenten season when the demand is largest. The trade is changing rapidly from salted to fresh fish. The other prospects of traffic would be fresh and salt fish and lobsters from Guysboro and Canso (the largest fishing centre in Nova Scotia), gold mines at Forest Hill and the possible development of iron ore deposits at Salmon River Lake, together with a certain amount of summer tourist travel. From which, with the usual increase of 5 per cent. in local traffic it can be assured that this branch would pay to operate on a one train each way per day basis."

COUNTRY HARBOR TO CANSO AS A FISHING BASE

That is part of Mr. Whitman's report. In connection with Canso you will observe that he estimated that the fish products of Canso would increase from 3156 tons to 5000 tons in four years. I now give the actual figures of increase, which show that the increase was nearly up to what Mr. Whitman had estimated, and that without any railway accommodation. The figures are as follows:

<i>Year</i>	<i>Tons shipped</i>	<i>Value</i>	<i>Railway charges</i>
1907.....	3156	\$220,920	\$27,417.70
1908.....	3372	235,900	31,644.03
1909.....	2371	191,170	26,685.55
1910.....	3431	240,100	36,022.58
1911.....	4110	308,250	45,179.11
1912.....	4238	317,850	45,730.60

I now propose to give a few further facts with regard to the fishing business, and would ask your particular attention to the blue print map to which I previously referred. This map shows that as a fishing base, taking the close proximity to the Banks and the whole situation from Country Harbor to Canso into consideration, with reasonable facilities for marketing the product, it is the best fishing base on the continent of America today. It is almost impossible to conceive a limit to what might be the possibilities of that section of Nova Scotia if it had a chance by way of railway facilities and markets. But projecting far into the ocean, cut off from railway communication, it is absolutely tied up, and any reasonable development is rendered impossible under present conditions. In the course of the debate in this House a few days ago, it was noticeable how very little was said in the interests of the fisheries. The hon. member for Lunenburg, Mr. Margeson, representing a fishing county, wanted cheap telephones for the farmers, and a number of other utilities for other people, but he never for a moment considered the needs of the fishermen. I wish the hon. gentlemen of this House to remember that practically one-quarter of the population of Nova Scotia is represented by fishermen. Over twenty-eight thousand men are engaged in the fishing business, producing

approximately one-third of the total fish product of Canada. The county of Guysboro is one of the great fishing counties, in spite of everything against it. These great fishing banks, which are situated in such close proximity to our coast, are one of the great gifts of nature to our Province. What the wheat fields are to the Provinces of the West, these fishing grounds are to the Province of Nova Scotia. They are our one great asset, and it is remarkable how little has been done to develop them. Now I do not consider that the railroad in question goes far enough. It should naturally go from Ferrona down to the deep water of Country Harbor and Guysboro, but its ultimate destination should be Canso, passing Isaac's Harbor, New Harbor, Larry's River, Charlos Cove, Port Felix, White Head and Dover. This is a perfectly feasible route. Surveys have been already made from Country Harbor to White Head, and under the direction of the British Admiralty. White Head was surveyed and reported to be a harbor equal to that of Halifax. There are great natural harbor facilities in Country Harbor: Whitehaven is equal, perhaps, to any harbor in the world; there are numerous small fishing ports in addition; and the port of Canso, projecting out into the sea, is right at the door of the fishing grounds, and capable of unlimited development so far to bring untold prosperity to that section. It is inconceivable to me that proper appreciation of the whole situation has never been comprehended by the men having to deal with the matter.

MR. MARGESON: Does my hon. friend take any stock in what the British Admiralty said?

MR. TORY:—I would accept the opinion of their engineers on a port.

MR. MARGESON:—My hon. friend's Dominion member does not take much stock in them.

MR. TORY:—I would trust them in regard to a report on the coast of Nova Scotia.

MR. TANNER:—Do I understand my hon. friend to say that the route has been laid out by the British Admiralty.

MR. TORY:—No. It was a survey under Mr. Alex. McNab, C.E., made in connection with the Nova Scotia Government many years ago.

MR. TANNER:—Is the hon. gentleman suggesting that route?

MR. TORY:—I am, in addition to what has already been projected. I do not care who builds it, and I wish to say this, that if the resignation of my seat in the House would be all that would be required to bring the railroad to Guysboro, this House would have my resignation in three minutes. In view of the possibilities of development, as they appear to me, I would be willing to make any reasonable sacrifice in order that the thing so needed for Guysboro County should be brought to the people.

Now it is a well known fact that capital cannot be induced to undertake the development of the fish business without adequate railway facilities. In the absence of railways it is hopeless for men to attempt to compete in this business with sections of the country where they have these facilities. To show what an important part railways play in connection with the development of the fish business, I wish to refer to the port of Grimsby, which is situated in relation to the English fisheries, much the same as Country Harbor, White Head and Canso are situated in relation to the Fisheries of this Province. In this connection I wish to quote a paragraph from the Fish Traders Gazette, of July 29th, 1911, which reads as follows:

“It was indeed, the advent of the railway which gave the impulse to the development of the port and of the fishing, for in the year 1854 the fish brought into Grimsby only amounted to 450 tons, whereas it now borders upon 200,000 tons. But Grimsby is much more than a fishing port—a fact which some of us are inclined to forget. As with all other great ports which are primarily fishing places, the fishing brought in its train a host of allied industries and developed an oversea commerce. How great the latter has become is indicated in the figures, which show that in 1855 the total value of the goods exported amounted to \$1,405,146, while in 1910 the value had risen to \$18,956,924. There is little doubt that the opening of the Immingham Dock will be followed by a further great expansion of business. The dock will have very special facilities for shipping, not the least being that it may

be entered at any hour of the day or night and at any state of the tide, with direct transshipment from ship to rail, and rail to ship by the most speedy and economical methods."

This shows the possibilities of the fish business, and it is in this instance attributed to the advent of the railway to the port of Grimsby. I have another quotation here on the same subject, written by Sir George Doughty, in the London Daily Mail. I read this for the purpose of impressing the matter upon the minds of hon. gentlemen, who perhaps have not thought much about the possibilities of our great fisheries. He says:

"It is one of the most remarkable chapters of progress recorded in connection with any town in Great Britain. Indeed few American cities can rival Grimsby in its continual growth. There are men living still at Grimsby who can remember when there were only two short streets, when there was no gas, no sanitation, no police, no docks, and an extremely poor population of fewer than 6,000 souls. To-day Grimsby boasts of a population of upwards of 100,000 people, with more than 60 miles of streets, and last year was the busiest Grimsby has ever enjoyed. The greatest development of Grimsby's trade is that of fish. The town has risen from practically nothing in a few years to the proud position of the largest fishing port in the world. It has an unrivalled position on the face of the North Sea. The marvellous growth of the fishing trade is best illustrated by the necessity of the expenditure of half a million of money on new fish docks, and a late bill has been pressed through Parliament and the dock extension is to proceed at once. Such is the congestion of the trade that no fewer than 3,340 ships came last year to unload their cargoes at the market and could not find accommodation there. They had to lay over for one day or two days in order to get a berth. The growth of the trade was so rapid that it was most difficult to keep pace with it. In 1871, 28,000 tons of fresh fish were landed at Grimsby in 1881, 53,460 tons; in 1891, 73,650 tons; in 1901, 112,000 tons; whereas in 1911 this great trade had

risen to 213,000 tons of fresh fish, and last year the trade was even more."

CANCELLATION POLITICALLY INDEFENSIBLE

In summing up, I regard this transaction, that is the cancellation of the contract for the building of the Guysboro railway, and stopping the progress of the county, as one of the most indefensible proceedings in the history of this country. I do not care from what standpoint it is regarded, or upon what ground it is based. Take it upon the lowest ground possible, that of politics, and I am prepared to say that the proceeding is absolutely indefensible. I know of nothing that could have done the Conservative Party in the county of Guysboro more harm, than the policy that had been entered upon. If I viewed this matter from a purely political standpoint, I would say to the Conservative Party: "Go on just as you are going, for by your course you will make the county of Guysboro Liberal to the day of judgment."

MR. MARGESON: Do not be too sure.

MR. TORY: The Conservative Party are simply following out the policy that has caused their defeat in the county of Guysboro for so many years. During the eighteen years the Conservative Party was in power at Ottawa, what happened to the county of Guysboro? During fourteen years of that period the county never once appeared in the estimates, although the people had been asked to pay, pay, pay, into the Federal Treasury.

MR. MARGESON:—What happened under Liberal rule?

MR. TORY:—I will tell the hon. member, and perhaps he will be sorry he asked that question. Whether the Liberals did much or little they at least tried to do something. These are some of the things they did:

1. They subsidized boats to the amount of \$16,000.00, made up as follows: Canso to Mulgrave, \$6,000.00; Guysboro, Queensport and Mulgrave, \$5,000.00; and Halifax to Guysboro, \$4,000.00.
2. They dotted the coast for 150 miles with gas, whistling

and other buoys, of immense value to fishermen and vessels. What these buoys cost, I do not know.

3. They built lighthouses at Marie Joseph, Liscomb, Sonora, Beckerton, Fisherman's Harbor, Island Harbor, Charlos Cove, Cole Harbor, Port Felix, Canso and Guysboro.

4. They built public wharves at Ecum Secum, Country Harbor, Isaac's Harbor, Beckerton, Cole Harbor, White Head, Liscomb, Spanish Ship Bay, Port Felix, Dover, Melford and Mulgrave, which cost approximately \$200,000.00.

5. They built breakwaters at Port Hilford, Drum Head, New Harbor, Larry's River, Charlos Cove and Half Island Cove, which cost about \$140,000.00.

6. They established lobster hatcheries at Canso and Isaac's Harbor.

7. They built reduction works at Canso, costing \$30,000.00.

8. They built public buildings at Canso and Guysboro, costing over \$50,000.00.

9. They placed fast freight trains between Mulgrave and Montreal, with refrigerator cars, thus reducing rates from \$2.50 to 38 cents per 100 pounds, and they paid one-third the expressage charge in order to assist in sending fish to Western points.

10. They voted \$1,000,000.00 for the extension of the Inter-colonial Railway into the county.

That is the answer to the question of my hon. friend from Lunenburg as to what the Liberal Administration did for the county of Guysboro. Contrast that with the eighteen years of Conservative Administration, contrast that with the action of the present Conservative Administration. Apart from their action in regard to the railway, I will cite another instance in connection with the fishermen of New Harbor. What happened in this case? New Harbor is an unprotected harbor, and during storms the fishermen had in olden days the greatest possible difficulty in saving their boats from being smashed up on the shore. The Government of Sir Wilfrid Laurier undertook to remedy this condition. They built a breakwater for the purpose of protecting the boats, with the result that there was a splendid development of the fish business at that Harbor, but the break-

water did not extend sufficiently far into the sea to give the protection needed for the boats. Consequently a vote of \$10,000 was placed in the estimates for the further extension of this breakwater but when Mr. Borden came into power, notwithstanding the fact that the boats of Conservatives were protected just the same as the boats of Liberals, this magnanimous Government immediately cancelled the vote and abandoned the construction undertaken by the Liberal Administration for the protection of the fishermen of New Harbor. You tell me this is good politics. I am prepared to say that this is a piece of almost inconceivable political blindness.

DR. BISSETT: Was that the same Mr. Borden who promised free pills to the fishermen?

MR. TORY:—It is the same gentleman. In his manifesto to the people of Halifax he never mentioned breakwaters, lobster hatcheries, or reduction plants, but he said that he would give the fishermen free medicine, and the remarkable thing is that the first dose of pills has not yet arrived.

I have shown, in answer to my hon. friend from Lunenburg, just what the Liberal Administration had attempted to do. In brief it was a development of the fishing facilities of the whole coast of the county preparatory to giving railway facilities for which the money was voted. Can you wonder that the people are discouraged and disheartened, when they had within their grasp the very possibilities of this great development, and now both Conservatives and Liberals are called upon to suffer the loss of these great possibilities? Practically half the people of the county are Conservatives, many of whom have fought splendid fights for their party in the county, and what they now get from that party are blasted hopes and destroyed opportunities.

CANCELLATION FINANCIALLY INDEFENSIBLE

But this transaction is not only indefensible on political grounds, it is indefensible also on financial grounds. The fishermen, the farmers, the lumbermen, and all other citizens of Nova Scotia have been paying into the federal treasury for

forty-five years, and what have they been getting in return? I have prepared a table showing the total expenditure of Canada since 1868, the proportion due Nova Scotia, the amount paid to Nova Scotia by way of subsidies, and the amount still to be accounted for. The totals are as follows: Canada's total expenditure, \$2,361,002,470.00; proportion due Nova Scotia on the basis of population, \$215,198,299.00; amount paid to Nova Scotia by way of subsidies, \$20,574,872.00; amount to be accounted for, \$194,623,427.00. This is Canada's obligation to the Province of Nova Scotia, less any such items as may have been expended in the Province.

On the same basis I have made a calculation of the amount due to the county of Guysboro. Of this balance to be accounted for of \$194,623,427.00, the proportion due Guysboro County on the basis of population would be \$7,722,128.00, less any such amounts as had been expended in the county during the period under consideration. Had the policy of the Liberal Administration been carried out as was intended, a large proportion of this debt would have been liquidated, but as the account stands to-day, there are millions of dollars due, not only to the Province of Nova Scotia, but to the county of Guysboro, on account of taxes collected and credit pledged for these enormous expenditures throughout the Dominion of Canada. Based, therefore, upon financial grounds, the transaction is wholly indefensible.

CANCELLATION MORALLY INDEFENSIBLE

This proceeding is indefensible on moral grounds. That may be considered a remarkable position to take, but everybody knows that there have been promises made repeatedly, pledges by both parties that railway facilities would be given to Guysboro as soon as possible, and I ask is there to be no morality in politics? One of the most humiliating things I have found in politics is the change of the estimate of the word of a man in public life as compared with the word of that same man in private life. Are we always to be rated simply as politicians? Is there to be no honor, no morality in connection with the public service of this country? But further, apart from the question of

broken promises, if there is anything that is particularly condemned in sacred literature, it is the oppression of the weak and the robbery of the poor. The treatment of the county of Guysboro in this instance is nothing short of oppression and robbery. It is but another confirmation of the words of scripture: Let favor be showed to the wicked yet will he not learn righteousness; in the land of uprightness will he deal unjustly."

CANCELLATION ECONOMICALLY INDEFENSIBLE

This proceeding is also indefensible on economic grounds. We are constantly complaining of the high cost of living, yet here is the opportunity for the development of a great natural industry, capable of supplying thousands of tons of cheap food of the highest value, but for reasons most reprehensible, as I have shown, this industry is crippled and the people forced to leave the country.

CONCLUSION

In conclusion I desire to say that while I do not wish to be unduly severe, I must confess frankly that I regard this transaction as a piece of diabolical political treachery. I regard it as one of the worst acts of political hypocrisy ever perpetrated in this country, and as deliberate robbery of people who could not defend themselves.

I appeal to every fairminded hon. gentleman in this House to vote for the resolution as a protest against such iniquitous proceedings.

I appeal to the citizens of Halifax who are within the sound of my voice to make such protest as may be possible under the circumstances, thereby making some amends for previous selfishness.

I appeal to every fair-minded citizen of this country who may become possessed of the facts, to also protest against this unwarranted and unjust treatment of sections of the Province of Nova Scotia.

I speak, not only on behalf of the counties of Guysboro,

Pictou, and Victoria, but I speak on behalf of reasonable decency, justice and fair play in connection with the political business of this country.

I leave my case in the hands of the hon. gentlemen of this House, and also in the hands of the people of this country. I now move the Resolution previously read, seconded by the hon. member for Victoria, Mr. Buchanan.

ON EDUCATION

March 27th, 1914

MR. SPEAKER:—

I have listened with a great deal of interest, and I hope some profit, to the remarks of the hon. member from Antigonish in respect to the subject of education. On some points I agree with the hon. member, and on a great many points I do not.

As to the importance of the subject of education, to which the hon. member referred in opening his address, I do not think there can be any two opinions. Education lies at the very foundation of our social and political institutions, and it therefore goes without saying, that anything that can be done ought to be done in order to make the educational system of the country more efficient. I admit also that another fact must be borne in mind, viz., that the problem of education is ever changing. The problem of yesterday is not the problem of today. New conditions are arising, new factors are entering into the situation, and consequently these causes bring about the necessity for new programmes to meet altered conditions. As a matter of fact, the subject of education has been discussed ably and effectively by some of the best writers during the last 2,500 years. Some of the greatest writers of the Greeks, and also of the Romans, have dealt with the subject of education, as well as many able writers of England, France, Germany and America, all seeking to bring about changes, to introduce new ideas, or destroy old ones.

Now I observe that a new educational critic has appeared upon the scene, viz., the critic of the Conservative Party of Nova Scotia, the hon. member from Antigonish. I do not know whether my hon. friend regards his utterances as the last word on the subject or not, that must be left to his own judgment. In dealing with the subject, I will not attempt to follow the hon. gentleman in his various wanderings to and fro, lest my answer should be as little understood as my friend's argument.

I propose to deal with the subject in a manner different from that followed by my hon. friend, and incidentally to refute some of the statements which he made, especially the general statement of the hon. gentleman in the beginning of his speech that the system of education in Nova Scotia had failed, particularly as applied to the rural districts of the Province. This I deny.

There are several aspects of the education problem:

First, the aspect relating to the aim of education.

Second, the aspect relating to its method;

Third, the aspect relating to its organization;

Fourth, the aspect relating to its finance; and

Fifth, the aspect relating to its content.

FIRST—THE AIM OF EDUCATION

Now what was the original aim and purpose of our educational system in Nova Scotia? At least something as to this can be gleaned from the debates in 1864, when the Education Bill was introduced in this Legislature. One point most particularly emphasized at that time was the fact that the condition of Nova Scotia as to illiteracy was abnormal. It was shown that out of a population of 300,000 over five years of age, there were 81,479 who could not read—more than one-fourth of the whole population. Out of 83,959 between the ages of five and fifteen, there were 36,538 who could not read. Of this same number of 83,959 there were attending school in 1863 only 31,000, so that there were then 58,959 children in this country growing up in ignorance. The question therefore is, has the aim to eliminate illiteracy been achieved? If it has been achieved, then the educational system of the Province cannot be quite as bad as my hon. friend has tried to make out. The fact is, as shown by the census, that illiteracy has been reduced to a negligible quantity. In that respect this Province ranks higher than any but two of the other Provinces of Canada.

There is another point with regard to the aim of our educational system which is worth considering. As I understand the matter, it was intended primarily to reach out to the masses of the people, and to give them elementary education as far as practicable.

The question therefore is, has it done that? Of course I am frank to admit at once, that a perfect enrollment of those who should be at school is impossible. All success in matters of this character is simply relative, and the only way in which we can determine whether our system has been successful or not is by relating it to other systems.

Now, Mr. Speaker, I wish to put on record a statement for the benefit of the people of Nova Scotia, and especially for the information of my hon. friend from Antigonish, viz., that we have today, as the result of the educational system of Nova Scotia, the largest enrollment in proportion to our population of any country in the world, from which I have been able to obtain statistics. That is to say, the enrollment of scholars bears a larger percentage to the total population than that of any other country.

MR. MARGESON—Does the hon. member mean to say that the average attendance at our schools is the largest of any Province?

MR. TORY—I did not say so. What I said was, that the enrollment in proportion to population showed the largest percentage. I have no desire to withhold the source of my information. If my hon. friend will get the report of the Commissioner of Education of the United States for the year 1912, and will turn to pages 657 to 663, he will find given in that list the record of practically all the important countries in the world, except the United States. There are a few exceptions, of course, which do not, however, affect the argument. Further, what appears to me most remarkable is to find that the Nova Scotia enrollment in proportion to population is greater also than that of any other Province of Canada, including Ontario, and also greater than that of the United States, taken as a whole.

Another of the aims of education under our free school system was to build up the general intelligence of the population. Now there is no very accurate method by which we can reach an absolutely unassailable conclusion as to the general intelligence of the people of Nova Scotia, but I can say this: I have travelled over a good deal of the world, I have met Nova Scotians almost everywhere in considerable numbers, and it is a fact which will

be admitted by everybody who knows anything about the matter, that when compared with the people with whom they associate in positions and vocations, the average Nova Scotian holds his own with the average man in a similar calling or vocation anywhere in the world, and this I attribute in a very large degree to our educational system.

Another of the aims of our educational system was to give opportunity for the higher mental development to such of our people as had in them remarkable capacity for such development. What is the fact here with regard to Nova Scotia? Is it not almost a commonplace that when a great man is needed anywhere in Canada he usually can be found in Nova Scotia.

MR. MARGESON—Or a premier of Canada.

MR. TORY—Yes, or a premier of Canada. Today at least four of the University presidents of the various Provinces are from Nova Scotia, and also many prominent men filling positions in the business institutions of this country, as well as in those of the United States.

SECOND—THE METHOD OF EDUCATION

Now with regard to another phase of the educational question, viz: the method of education. That phase of the subject has possibly been discussed with the most persistency, because after all, the aim of education is made possible to the fullest extent only if the methods employed are correct.

Up to 1855, or just prior to the introduction of the new school law, we had organized in the Province of Nova Scotia, our Normal College, for imparting proper methods of instruction to the teaching staff of the Province. For many years, however, the Normal College competed side by side with the high schools of the Province and we did not get from that Normal College the application of the science of teaching that we would have received had it been put on its present basis earlier in its history. In 1893, due to the wisdom of the present Superintendent of Education, I believe, a year at the Normal College was made equivalent to an extra year at the high school; that is to say, suppose a student had passed his grade IX educational work and

desired a license to teach on a grade IX certificate, so as to receive the Provincial grant accordingly he would have to take either an extra year in educational work at the high school to bring him up to the grade X standard, or take a year in professional work at the Normal College. There has been perhaps a little delay in the developing of teachers who could employ the most modern scientific methods, but there has been a steady and marked improvement since 1890, when, in the whole Province, we had only 433 Normal College trained teachers, or 19 per cent. of the whole. Since that date there has been a steady improvement, as the following figures will show:

<i>Year</i>	<i>Normal Trained Teachers</i>	<i>P.C.</i>
1890.....	433.....	19 p.c.
1900.....	887.....	35 p.c.
1910.	1097.....	41 p.c.
1913.....	1314.....	45 p.c.

So, as to method, the Council of Public Instruction of this Province is bringing to bear the very best that modern psychology and pedagogy can supply in the training of the teachers of Nova Scotia.

THIRD—THE ORGANIZATION OF EDUCATION

Now I wish to say just a word or two on the present organization of our school system, which will bring me to some of the points to which my hon. friend referred. The organization of the school system of the Province may be said to be divided into three general divisions.

First, the Executive Division, consisting of the Council of Public Instruction, on which are all the members of the Government. The hon. gentleman, I understand, objects to the Council of Public Instruction.

MR. O'BRIEN—I never mentioned the Council of Public Instruction.

MR. TORY—I may have misunderstood my hon. friend. If he did not mention the council, it will not be necessary to refute the objection. I presume my hon. friend is satisfied.

MR. O'BRIEN—I mentioned the Government.

MR. TORY—The Council of Public Instruction is composed of all the members of the Government, plus the Superintendent of Education.

MR. TANNER—Did the hon. gentleman say that the Superintendent of Education is a member of the council?

MR. TORY—He is secretary of it, which is practically the same thing. In addition to the Council of Public Instruction, and as part of the executive, we have the Advisory Board, composed of six prominent Nova Scotians. It may be possible that some better arrangement could be made, but to my mind, that should be a pretty effective organization, because whatever side of politics might be in power for the time being, the cream of the party supposedly would be in the Government, and that being true, we should have the best talent in connection with the Council of Public Instruction that the country afforded.

The second general division of the organization is the Inspectoral Districts, which are twelve in number. These are again broken up into local divisions, thirty-three in number. The Inspectoral Districts are under the direction of district inspectors, who are aided in their work by the local educational boards. My hon. friend objected to the Inspectoral District, saying it was too large. There may be something in that, but it is a matter that could be easily remedied if we made the districts smaller and paid more money for inspection.

The third general division of the organization is what is known as the Sectional Division. The purpose of the law was that every section of four square miles throughout the length and breadth of this Province should have at least one school. There are 1791 sections covering the whole Province, with 2692 schools. These are governed locally, by three trustees in each section, elected by the people of the section. That seems to be a pretty carefully worked out scheme of organization, and as no objection has been raised from that standpoint I will let it pass. The vital question, however, in connection with the sectional organization, and that over which some controversy has arisen previously, is in connection with the democratic principle which governs. Our system does not say to the people of a school section, "you shall do so

and so," but authority is given to the section to decide three things: (1) whether they will have a school or not; (2) What salary is to be paid the teacher; and (3) What amount of money is to be assessed upon the people of the school section for educational purposes.

These questions are left to the people themselves. This brings us to the question of small salaries, and to this I wish to direct the especial attention of the House. As long as the present principle of local control remains, this Government cannot control the matter of teachers' salaries. Under the law as it stands we say to the people of a section: "You shall determine the amount of salary that you will pay, the grade of teacher that you will employ, and determine the amount of assessment that you will impose; in other words, you are masters of the situation." So that, when my hon. friend talks about teachers not being provided, or about teachers receiving salaries that are too low, he must remember that in the essence of the law, the principle of democracy prevails, and we must change that before this Government can change the amount of salary paid to any teacher.

My hon. friend went out of his way today to criticize the Superintendent of Education because he called attention to the fact that responsibility in this matter rested with the people, and the hon. member went to the trouble to go back many years to gather up everything he could find where the Superintendent of Education advised the people, or criticized the people in connection with the payment of salaries to teachers. Now I say that in this country, and under our democratic system, the Superintendent of Education, considering the principle that underlies our system, would have been remiss in his duty if he had not done what he did. It might be possible that he did not always say just the best thing, but under our system as it has existed, it is his duty to call attention to the facts when schools are not being efficiently maintained. But my hon. friend did not take the trouble to turn to any report in which the Superintendent gave praise to the people where praise was due. The hon. member should have stated the case fairly if he proposed to call attention to the passages in which the Superintendent of Education uttered words of criticism. He should have stated the whole case, and

intimated that the Superintendent gave praise where it belonged. In this connection I will read a passage from the Educational Report for 1912, in which the Superintendent of Education said:

"This record is very creditable to the 1700 rural sections of the Province, which on an average increased the salaries offered for teachers, although, as shown by the table on page 43, the number of small schools increased from 360 of the previous year to 382 this year—schools with less than 20 pupils on the roll during the whole year. In fact, these 382 schools had a daily average attendance of less than seven, and as a matter of fact, in Colchester County, school was kept with only two pupils in the section. This shows that where there is a will our present system enables a school to be kept up wherever there are children of school age. This work, however, requires strenuous effort on the part of the inspectors, as well as of the parents interested in maintaining school."

I will also read an extract from the report for 1913, in which the Superintendent said:

"Too much praise cannot be given to the people in the majority of the school sections for the creditable manner in which they have advanced the section support."

As far as I know, the Superintendent of Education did nothing more than his duty in this matter.

FOURTH—FINANCIAL ASPECTS

Mr. Speaker, when the House adjourned on Friday I had dealt with a few phases of the educational question, with which I suggested in my introductory remarks I would deal. I had touched briefly upon the aim of education, as indicated when the Act of 1864 was brought into effect, and I had stated that I thought, at least to some reasonable degree, the aim had been met by subsequent experience. I also touched briefly, and very imperfectly, upon the question of the method employed in our educational system. I had dealt for a few moments with organization, and was about to deal with some financial aspects of the

matter. I intend to deal as briefly as possible with four aspects of educational finance as follows:—

1. The general finances of Nova Scotia in their relation to Education.

2. The evolution of our educational finance in Nova Scotia, both as to its purpose and method, and with particular reference to the threefold source of the present educational revenue.

3. Comparative finance, with reference to:

- (a) Grants to education by the various Provinces as compared with Nova Scotia.

- (b) Grants to education by the United States considered as a whole, compared with the grants of Nova Scotia.

- (c) Legislative grants to ordinary education in Ontario as compared with Nova Scotia.

4. Some special features of Provincial finance, with reference to the Liquor Traffic, and to School Lands.

1. GENERAL FINANCE

Now, with regard to the first, I wish to state that we cannot properly judge or understand the problem of education in Nova Scotia with regard to its financial aspects without first understanding clearly some of the antecedent facts. For the ten years prior to Confederation, viz, from 1857 to 1866, we had received in revenue a grand total of \$11,358,299.60. We had paid out for educational purposes during the same period the sum of \$831,912; or in other words, we had spent for educational purposes during that ten years, just seven per cent of the income of the Province. In addition to that there is another fact which must not be lost sight of, namely, that the revenue had been increasing with great rapidity. In 1857 the revenue was \$913,308, and ten years later it was \$1,857,247, so that when the educational programme was outlined in 1864, it was outlined having specially in view the power to meet the obligations imposed by this programme. In 1867, by an arbitrary act, the Confederation agreement was consummated, and perhaps I had better not characterize that bargain too strongly, as the Herald announced a few days ago that I was forty years behind the times in respect thereto. To the Herald I wish to say this, that if I

am forty years behind the times I am in good company, for I am in company, not only with the hon. Leader of this Government, but with every Provincial Premier in the Dominion of Canada, and if I am not very much mistaken, it is only very recently that the Herald has been a backslider.

As the records show, in 1866 with a revenue of over \$1,800,000, there was an abundance of money available for the governmental services of the time. In the year following Confederation, however, the revenue had fallen to \$586,696, being not much over 25% of what it was in 1866. The result was that every department of the government of the day was paralysed. If the hon. members will read the debates of the House, they will find—both from Liberals and Tories—nothing but a wail of hopeless despair as far as the finances of the Province were concerned. It could not be otherwise.

We faced the educational problem in 1868, in a different position than that of 1864, when the Act was passed. One of the particular charges that the hon. member for Antigonish made was, that the Province of Nova Scotia had not dealt generously with education in this matter of finances; that it had not supplied sufficient money to carry out the programme laid down by those who conceived our Educational Act. I wish to put on record just one or two facts in that regard. In the first place, the total expenditure for education in this Province has exceeded every other single expenditure from 1867 to 1913. We have received since Confederation up to 1913, a total of \$42,214,654.69 in gross revenue; out of that we have paid for education \$10,926,665.40, being a little over 25.8% of the total amount received. More than that, of that whole amount, 25.2% has gone for ordinary education, while a little over $\frac{1}{2}$ of 1% has gone for Technical education. That constitutes the total expenditure of the Province of Nova Scotia in the department of education.

Another way in which we might understand the extent to which the Province has contributed to the educational programme since Confederation, is that this Province has given to education an amount equal to 50.1% of the total amount received from the Dominion Government by way of subsidies. These are the

facts as they stand in relation to the Provincial revenue. There is just one other fact, and that is, the expenditure on education at the present time, considering all the grants, is about equal to 93% of our total net revenue. That is to say, if we had to provide out of our revenue for the whole educational system, it would take 93% of the whole net revenue of the Province.

2. EVOLUTION OF METHOD

With regard to the second aspect of Educational Finance I would say, that there are some facts which I think will be very interesting to the hon. gentleman. It has been particularly interesting to me to note the transition from original conceptions of getting money for educational purposes to our method of the present time. The first Act in which I have been able to find reference to educational finance was passed in 1720, when it was proposed to build an Academy in Halifax city. How do the hon. members think they proposed to raise the money?

MR. BUTTS: Probably by watered stock.

MR. TORY: No, it was more speculative, it was by lottery. They proposed to raise £1500 by a lottery scheme, a long way from where we are to-day in the matter of educational finance. The next effort was in 1794. The Act of 1794 provided that a tax of three pence a gallon on wine was to be devoted to educational purposes; so it may be seen that the basis of our educational finance at that date was the liquor business, and it continued so for some time thereafter. Outside the city of Halifax, wherever the tax was collected, the money was handed over to the Court of Sessions, and they were given discretion to expend it either for education or for charitable purposes.

In 1811 a tentative move was made to get the people to pay something towards education under assessment, and so an Assessment Act was passed which was optional, providing for part of the needs of the school, and providing that wherever advantage was taken of the Act, children should be admitted free, except that they were charged for books and fuel. In March, 1825, there was a great field day in this House, on the report of a Committee recommending a universal compulsory assessment law, which, however, was rejected. The fight was

repeated in the following year, without result, but in 1832 an Act was passed providing for an assessment with the consent of a two-thirds majority, and the consent of the Court of Sessions. Another attempt to pass such legislation was again made in 1826. Again in 1841 Lord Falkland pressed for an Assessment Law, but it did not carry. In 1864 our General Law was brought into effect under the leadership of Sir Charles Tupper, and I am pleased to give him every credit for the courage he displayed in forwarding this legislation. It was brought in under the inspiration of the late Sir William Dawson, and the late Rev. Dr. Forrester.

The great controversy of the debate of 1864 centered around Section 29 of the New Bill, which provided for the raising of money by assessment, and which was as follows:

"It shall be the duty of the Trustees to contract with and employ a licensed teacher for the section, for a period of not less than five months, and to determine the amount of his or their salaries, which must be procured from the people by voluntary subscription or assessment, and not by fees per pupil. And in case the sum agreed upon for the support of the school at the annual meeting fails to be realized, the Trustees shall be empowered to raise the balance by assessing the inhabitants; such assessment being made for the whole amount required, and the subscription of those who have paid, deducted from their assessment."

Even here the matter of voluntary subscription had not been dropped. There was an effort to get away from individual contribution to sectional assessment for the purpose of protecting the poor who could not pay. This Act has since been amended and this brings me to our method of financing schools at the present moment, to which allusion has previously been made in this House. At the present time there are three methods or three means, or perhaps I should say, three funds.

Provincial Grants

The first of these is the Provincial grant, the bulk of which, as everyone knows, is paid to teachers direct according to the

grade of license which the teacher holds. This grant has varied from time to time. At one period in the history of the country there was a limit set and the amount of the teachers' grants was limited by that fixed sum. Later on as the finances of the Province permitted, the sum fixed was increased so as to be capable of paying a little more than the grants contemplated by the Act. Still later, other changes were made providing for grants as at present paid. As I have said, this grant to teachers constitutes the greater portion of our Provincial contribution to education today, amounting in 1913 to \$232,845.33 out of a total of \$340,696.29.

Municipal Funds

The next fund is the municipal fund and in connection therewith I wish to call attention to the fact that prior to 1864 there was no municipal fund. There were contributions by individuals and small grants from the Government. The basis upon which the municipal fund is ascertained is that of population, and the process is to assess the amount over all the property in the municipality. It is then distributed to the trustees according to the number of pupils and teachers in the section. The amount is established by thirty-five cents per capita of the population, it is raised by assessment, and it is distributed according to attendance and teachers employed. The purpose of this can be seen immediately. Persons in a school section might have little or no property while they might have many children, and the idea was, that if this tax were assessed sectionally the poor section might be short of funds. So the principle was to spread the assessment over a larger area, and distribute it according to need.

Each teacher of every grade is given the sum of \$25 which is taken out of the fund first, the balance of the fund is then divided between the sections according to the average attendance of pupils. Now with reference to the circular letter sent out by the Superintendent of Education, I would say that the purpose of that letter was simply to increase the amount of the fund, in order that each teacher might receive \$50 instead of \$25. I

regard the principle as absolutely sound and in the interest of the poor sections. With regard to the question as to whether the principle embodied in the law regulating this fund effects the purpose intended that is, to aid the poor sections, I would say that I have worked this out roughly with regard to the county of Guysboro, and find that as far as that county is concerned, it seems to have fulfilled its intended purpose.

One point raised by the hon. member for Antigonish, however, is worth considering. The law as it stands is in agreement with the Assessment Act and the Town Incorporation Act, and provides that an agreement may be made between incorporated towns and the municipalities with respect to the apportionment of school and other funds. Now in such cases, the rate of assessment, as between the towns and municipalities, may vary in proportion as the basis of valuation of property varies in the towns and in the municipalities. If, for example, the property in the town is assessed at its full value and that in the municipality at one-third its value, after fixing the sum to be assessed as between the two, it may require a higher assessment rate in the one case than in the other to secure the proportion fixed for each. I would suggest that the Education Department endeavor to obtain statistics to show just what actually occurs.

MR. TANNER.—Has the hon. member worked the matter out for the Province as a whole, and has he satisfied himself as to its effect upon the poor sections?

MR. TORY.—I have only worked it out as to my own county. I think that definite data should be compiled in order to see whether it carries out the purposes intended. I know that the principle is sound, but if there is any doubt about its working out as desired, it would be an easy matter to compile data so as to be perfectly certain.

MR. TANNER.—I understand then that my hon. friend is not speaking from any data with respect to the whole Province.

MR. TORY.—I am speaking with respect to my own county.

School Section Funds

The third method of acquiring funds is the sectional assessment, with which the hon. members are all familiar. The law in this case provides that each section may raise such funds as are necessary to supplement the provincial grants and the county fund. The trustees determine the grade of the teacher, and by sectional assessment, provide the balance of the funds required to maintain the school. That is, in brief, our method of educational finance, and I think, when carefully considered, it will be found to be equal in many respects to any other system yet devised.

3. COMPARATIVE FINANCE

(a) Now we come to the question of comparative educational finance. There has been a general impression conveyed to this House, that this Province has not been doing, comparatively, what other Provinces are doing in the matter of education. That seems to be the general impression, which is especially emphasized by my hon. friend, when he comes down on his desk and declares that the Government has failed in its financial obligations in respect to education. One would think something was the matter if he were not in possession of the facts. I think, when the facts are examined, it will be found that there is nothing wrong.

Let us take the income of the other Provinces, except Prince Edward Island, which we cannot compare because it has no municipalities, I understand, and consequently it has no provincial grants to education similar to those of the other Provinces. I have taken the figures from the latest reports I was able to obtain. Beginning with the figures from the Province of British Columbia, they had an ordinary revenue of \$12,436,027, and in the same year their contribution to education was \$944,037, or just 7.5 per cent. of their revenue.

I have taken the latest report obtainable from Manitoba, but it does not give exactly a fair comparison, because it involves some \$2,400,000, which was given to that Province by the present Federal Government as a special consideration, and which

enters into the statement for that year. As it stands, however, their income was \$7,046,675, and their grant to education, \$688,839, or just 9 per cent of their revenue.

Coming to New Brunswick we get on ground more nearly approaching our own conditions. The revenue of New Brunswick was \$1,347,867, and they spent on education \$293,183, or 14 per cent of their income.

The revenue of Saskatchewan was \$4,410,720, and the Province spent \$612,220 on education, or 14 per cent of the revenue.

The revenue of Quebec was \$8,382,737, and that Province spent \$1,442,615 for education, or 17 per cent. of the revenue.

The revenue of Alberta was \$3,359,619, of which was granted for education \$606,789, or 18 per cent.

Now Ontario, which is the best so far, had a revenue of \$9,350,292. Their grant to education was \$2,151,269, or 23 per cent. of their income.

Nova Scotia, in 1913, had a gross revenue of \$1,920,565. We paid for education, including the Agricultural College, a total of \$442,341, or 23.4 per cent., putting our Province foremost in the Dominion of Canada. I think that my hon. friend will be able to see that the case for Nova Scotia is not quite so bad as he had attempted to make out.

(b) Let us compare Nova Scotia with the United States as to Provincial and State contributions to educational funds:

THE REPORT OF THE COMMISSION OF EDUCATION
FOR 1912 SHOWS:

		<i>P.C. to Total</i>
Income from permanent School Funds and		
Rent of School Lands.....	\$ 15,071,836	3.3%
From State Tax or Appropriation.....	69,071,252	15.3%
From Local Tax or Appropriation.....	333,832,327	74. %
From other Sources, State and Local.....	33,175,682	7.4%
<hr/>		
Total Educational Revenue.....	\$451,151,097	

IN THE PROVINCE OF NOVA SCOTIA THE CORRESPONDING
FIGURES ARE:

Provincial Expenditure.....	\$	385,733	26	%
Sectional Assessment.....		944,992	63.5	%
Municipal Fund.....		156,864	10.5	%
<hr/>				
Total Educational Revenue.....	\$	1,487,589		

It will be seen from this, that while the State contribution of the United States was 15 per cent. of the total contribution, this Province, out of the limited funds available, gave 26 per cent. of the total amount expended in the Province for education.

(c) Another point of importance, in comparing Nova Scotia with Ontario, is that Ontario grants were very largely to higher education. Ontario's grants to ordinary education, that is to common and high schools, amounted in 1912 to only \$842,278, or \$33.38 for these schools for every 100 of the population, while Nova Scotia granted \$340,696, or \$69.24 for every 100 of the population, or more than double per capita the grant of Ontario.

MR. MARGESON—Does my hon. friend take out the income?

MR. TORY—I did not do that in any case. I dealt with all on the same basis. I am not dealing with net figures, but am taking the gross income and expenditure.

MR. MARGESON—Would not that be the only fair way?

MR. TORY—One would probably equalize the other, I have worked out the net income and expenditure since Confederation for our own Province, but it would take about five years to work it out for all the other Provinces for that period.

MR. O'BRIEN—The hon. member made a comparison between the contribution here and in the United States, which I failed to get.

MR. TORY—I will be glad to submit a copy of my figures to the hon. member. I have prepared them carefully, and while there may be some inaccuracies, I have endeavoured to be correct.

4. SPECIAL FINANCIAL FEATURES

I wish now to call attention to some special financial features which I think will be of interest. I wish to give a few facts

bearing upon the question as to whether this Province is really on a basis of equality with the other Provinces of Canada in its ability to pay the same proportion out of revenue for educational purposes. In some of the other Provinces of Canada there are items of revenue that we, in this Province, would hardly care to have enter into our educational finance.

In the Province of British Columbia they expended on education \$944,037, but they collected from liquor licenses the sum of \$86,207, or 9 per cent. of their expenditure. In addition to this, they collected a Chinese head tax which yielded them \$1,723,990, and if they put their Chinese head tax and their revenue from liquor licenses together, it would give them more than double their present expenditure on education.

In the Province of Saskatchewan they expended \$612,220 on education. They derived from liquor licenses \$174,091, or 28 per cent. of their expenditure.

In Alberta they expended on education the sum of \$606,789. They received from liquor licenses \$107,989, or 18 per cent. of their expenditure.

The Province of Manitoba expended on education \$688,839, and collected from liquor licenses \$152,038, or 27 per cent. of their expenditure.

The great Province of Ontario, expended on education \$2,151,269, and it collected from the liquor business \$805,151, or 37 per cent. of its expenditure. In other words, that Province collected from the liquor business an amount practically equal to her total contribution to public and separate schools, which amounted to \$842,278.

The Province of Quebec expended \$1,442,615 on education, and collected from liquor licenses, \$801,428 or 55 per cent. of her expenditure.

The Province of New Brunswick paid for the support of education \$293,183, and collected from liquor licenses \$45,056, or 15.5 per cent.

The figures I have given as the receipts from liquor licenses are the gross receipts. In some cases certain expenditures were made in connection with the liquor licenses.

The Province of Nova Scotia went out of the whisky business as a means of raising money for educational purposes more than a century ago. But that is not all the story. Talk about this Province not having done its duty! It has done its duty in spite of the fact that it was sold into financial bondage, and has been asked to make bricks without straw.

In the Province of Manitoba they have received from school lands for education, \$4,045,157, including principal and interest, the principal of which is at interest with the Federal Government, the interest being handed over annually for school purposes. In the Province of Alberta they have received from the same source \$2,338,229 net, principal and interest, on the principal of which the Federal Government is paying interest at the rate of 5% per annum. In the Province of Saskatchewan they have received \$2,529,085, part interest and part principal, to which the same remarks apply. In the Province of Ontario, in the year 1912, they received from "Clergy Reserve Funds, Balances, and other Sources" \$3,936,887, but as I have stated, in spite of all this, we have been able to extend to the children of Nova Scotia, the benefits of ordinary education to a degree scarcely equalled by any other country.

At a later date I propose to refer to this financial question as between the Provinces and the Dominion.

Now, with reference to this question of finance, I wish to add another word. I have heard the statement made in this House, and the impression has been given by the hon. member for Antigonish, that we had made practically no advance in regard to educational grants. That is, that our contribution for educational purposes has not been increasing. Now, the fact is, that there has not been a parliamentary period since 1867 when there has not been a steady increase in the contribution paid out of the Provincial revenue for education in Nova Scotia, save one, and I will now give the figures for that period. In the first year the contribution was \$208,115; in the second year it was \$205,575; in the third year it was \$196,217; in the fourth year it was \$185,519, and in the fifth year it was \$184,627. This is the only parliamentary period in the history of the Province since Confederation, when there was a steady decline in the grants to

education. Can any hon. gentleman guess what period that was? I do not think it is hard to do so. It began in the year 1878, and it ended in the year 1882; the only period since Confederation in which a Conservative Government had charge of the affairs of this Province.

MR. MACLENNAN: I guessed that.

MR. TORY: As a matter of fact, the total provincial grant to education in 1867 was \$162,000, while in 1913 it was \$385,733, being an increase of 138%.

Inspectoral Districts

My hon. friend from Antigonish attacked the inspectorial districts, stating that in his opinion they were too large. I will now read a paragraph from the address of an hon. gentleman in this House on that subject, in which he said:

"The Executive, or rather the Council of Public Instruction, in accordance with the power given by the Acts of last year, and the general powers possessed under the Educational Law of the Province, effected a large reduction in one department of this service during the past year. I refer to the inspection of schools, in which, instead of having one inspector for each county, and in one county two inspectors, the number has been reduced, thereby saving something over \$3,000 in that department. The effect of this reduction, of course, does not appear in the accounts of the past year, but will appear in the Public Accounts for the future."

I will also read another paragraph bearing up on the subject:

"Since the close of the year to which my Report directly relates, an important, and I have every reason to believe beneficial, change has been made by the Council of Public Instruction in the system of School Inspection, by the substitution of enlarged districts, each engrossing the attention of a qualified official, for the Districts composed of individual counties. The new districts are as follows:

1. City and County of Halifax.
2. Lunenburg and Queens.
3. Shelburne and Yarmouth.

4. Digby and Annapolis.
5. Kings and Hants.
6. Antigonish and Guysboro.
7. Cape Breton and Richmond.
8. Inverness and Victoria.
9. Pictou and that part of Colchester not included in No. 10.
10. Cumberland, and that part of Colchester comprised by the district of Sterling and the townships of Economy and Londonderry."

Can the hon. member for Antigonish suggest the names of the gentlemen from whom I am quoting? If not, I would say, that the first was a former Provincial Secretary of this Province, the hon. S. H. Holmes, and the second, was the Superintendent of Education in the year 1881, namely Dr. Allison. It will therefore be seen that the very thing which the hon. member for Antigonish criticises at the present time as being inimical to our system of education can be traced back to his own political ancestors.

MR. TANNER—What is the hon. gentlemen's own opinion.

MR. TORY—At the present moment I am not expressing my own opinion on this point.

MR. O'BRIEN—To what year is the hon. member referring?

MR. TORY—The hon. member will find the first quotation in the debates from 1879-1882, and particularly in the session of 1880, page 55, and the second, in the journals of the House of Assembly for 1880.

I come now to another point to which my hon. friend made special reference, namely, the restrictions contained in sub-section 2, Section 80, of the Manual of School Law, which reads as follows:

"No section employing a teacher holding a license higher than that of Class D, so called, shall be entitled to receive the special aid provided for poor sections in respect to Provincial grant to teachers."

This does seem arbitrary on the face of it, but I have looked into this matter, and I find that the original Act reads as follows:

"No section employing a teacher holding a license higher than that of grade D, so-called, *shall be entitled to receive the special*

aid provided for poor sections in respect either to Provincial grant to teachers, or county fund apportionments to trustees."

Now, where does my hon. friend think that Act came from? If he will turn to the Acts of 1879, chapter 6, section 6, he will see that this Act to which he objects also originated with his own political ancestors. It will be seen that the original Act went even further than the present Act does, as the original Act prohibited, not only the special aid from Provincial grant, but also the special aid paid out of the county fund. Now whether it be good or bad, these are the facts. It would appear that the limitation as applied to the county fund was presumed by the present Superintendent of Education to be a hardship, and that part of the original Act has since been eliminated. I understand that the reason why this law was introduced was that the sections had objected to the payment of special grants to poor sections in cases where the teacher employed might be of a higher grade than in sections where no special aid was given. It was the same old story, the rich always reluctant to aid the poor and so, in deference to the protests of the sections, it was agreed that if a section went on the poor list, it should not be allowed a high grade teacher. I think that is all I need say on that point. I hope I have made myself reasonably clear.

Female Teachers

There is another point which I regard as of more or less importance. There has been a great deal said about D. teachers, and female teachers, which had not been altogether complimentary to them, but I venture to say that if these female D. teachers had votes, there would not be so much said against them. Now I wish to say that, whether they have votes or not, I am in favor of women teachers.

MR. O'BRIEN: Will the hon. gentleman tell me where I attacked female teachers?

MR. TORY: I did not take down my hon. friend's exact words, but I took down a memo in regard to his attack upon D. teachers, and as the Grade D. teachers are almost altogether women, the natural inference was that the hon. gentleman was attacking them.

I believe that a certain class of lady teachers is more capable of instructing young children than men are. I have seen lady teachers absolutely as capable as male teachers. If we eliminate D. teachers as they are now teaching in our schools, two things would happen: First, they would not be able to teach in order to get money to go to the Normal College, which is the ambition of the majority, and in the second place, many of the schools that are now open would have to be closed.

MR. O'BRIEN: I simply read from the report of the Superintendent of Education and the Inspectors of Schools.

MR. TORY: If my remarks in this respect hit the Superintendent of Education, I cannot help it. I will go one step further, and say of this question of woman teachers, that some of the best authorities have spoken of them in the highest terms. One of the recent writers on educational history says:

"In many respects women are better fitted for instructing children than men are. They have greater tenderness, a deeper sympathy, a keener perception, greater adaptability to childish ways, and at the same time they are more graceful and winning."

Again, the great Froebel said:

"The destiny of nations lies far more in the hands of women—the mothers—than in the possessors of power, or of those innovators who for the most part do not understand themselves. We must cultivate women, who are the educators of the human race, else the new generation cannot accomplish its task."

I had intended to speak of permissive licenses and temporary licenses, but I understand that the hon. member for Lunenburg, Mr. Margeson, is going to exhaust that subject.

MR. MARGESON: Where did the hon. gentleman get the information?

MR. TORY: A little bird told me. I would say this however that there are two classes of special teachers, the temporary teacher and the permissive teacher, and a good deal of confusion has arisen over them. Temporary teachers are employed under Section 124a of the Regulations of the Council of Public Instruction, which reads as follows:

"A Third Class (Temp.) License, valid only for one year, may

be granted (but not previous to the 15th day of September in any school year unless the candidate holds at least a pass certificate of grade X and purposes to attend the Normal College during the following year) on regular application when the following four conditions are fulfilled:—(1) A certificate of the full age sixteen years and moral character as in the foregoing Regulation. (2) A pass certificate of at least Grade IX as in the foregoing Regulation. (3) The third minimum professional qualification. (4) A recommendation of the candidate as a temporary teacher for a specified school by the Inspector who must previously be assured by the trustees of the said school that although reasonable effort was made to employ a regular teacher of permanent class, one could not be obtained, and that the candidate would be acceptable to the school section as a teacher for the year. Such license can be re-issued for another year when the candidate has demonstrated an advance of grade or rank in his qualifications at a subsequent Provincial Examination."

From this it will be seen that persons licensed to teach under this section must have proper educational qualifications, and also certain professional qualifications. In fact, in such cases they would have had, in the earlier days, sufficient qualifications upon which to grant a permanent license. I think there can be no doubt about the utility, and perhaps the necessity, of such a provision under present conditions.

With regard to permissive teachers there is a good deal of confusion. People are apt to think that a permissive teacher is a person who has no educational qualifications. As a matter of fact, out of 207 permissive teachers employed last year, all had passed the regular educational grade examinations, ranging from the ninth to the twelfth grades, except five who had been appointed to serve special purposes.

5. CONTENT OF CURRICULUM

I now come to the last matter to which I desire to refer, namely, that of the Content, or Curriculum. My hon. friend raised that question. I admit frankly that I approach this phase of the subject with the greatest hesitancy, because of all the difficulties

presented to day in connection with education, this question of the curriculum is the most difficult.

It has been the point around which the greatest controversies have centered for two thousand years. The first phase of the controversy grew out of the divergence of views as to the purpose of education. One set of thinkers regarded culture as the end to be sought, and consequently desired studies which would produce that result: Another set of thinkers regarded education from the moral and religious view-point, and so pressed for studies which would produce corresponding results. Still another set of writers regarded mental development as the end to be sought, and certain studies which were thought to produce that end were placed upon the curriculum. Later on a set of men arose who viewed educational purpose from the stand-point of knowledge, and consequently desired to have placed upon the curriculum everything that tended to inform the mind. In recent times there has come a demand for a new form of knowledge, namely, the knowledge of how to do things. People are asking today to be taught how to do things, as they asked yesterday to be taught to know things. Finally, it has come to be admitted that perhaps all these views are right, and that they should all be embodied in a proper curriculum, and as a consequence, we have five problems to deal with instead of one. When you take the whole category of human knowledge, and attempt to make a curriculum that will embrace everything useful, you are facing a difficult problem, and I have this to say, that if the hon. members will take into account, what has been done in this Province, and consider all the difficulties connected therewith, I venture to say that they will reach the conclusion that, considering our finances and considering the local view-points in regard to educational aims, the curriculum of the Province of Nova Scotia is about as near the ideal as can be attained.

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THE HALIFAX TRAMWAYS BILL

April 22nd, 1914

MR. SPEAKER:—

Since several honorable gentlemen have made such kindly references to me in connection with this debate, and have intimated that perhaps some few words might be expected from me, I rise for the purpose of fulfilling the desires of my hon. friends opposite in this regard. In the first place I wish to state that I think everything has been said upon this Bill, and also in relation to the subject generally, that can be said as far as giving any new light is concerned, or presenting any new argument that would be of service in reaching a judgment thereon. I believe that in all probability the mind of each honorable gentleman present is already made up on the subject of this Bill; but while that may be so and while the discussion has taken a wide range, there are one or two things to which I wish to refer, mainly for the purpose of setting forth the reasons for my own decision in regard to the Bill in question.

Before proceeding to a general discussion of the matter, I wish to refer to a paragraph in the Halifax Herald of May 5th, in which there is particular reference made to myself. In order, however, to allay misapprehensions growing out of a reference to this paper, I would say that it is not my intention at the present moment to move another resolution with regard to the privileges of this House. The paragraph in question reads as follows:

“What is the inscrutable reason why Mr. Tory of Montreal, temporarily representing 1,860 Liberal voters of Guysboro, should politically and financially assassinate the 5,386 Liberal voters in Halifax?”

All that I wish to say in connection with this is, that the assassination to be applied to the Liberals of Halifax will be of such a mild character that I feel perfectly certain they will be able to go

about their work after this Bill passes just as they have always done.

There is another point which perhaps requires some explanation. For some time past public attention has been directed to the fact that I had certain interests in Montreal, or that I belonged to Montreal, or that I had some connection with Montreal, and in order to make my position quite clear I wish to say that before coming to this Legislature I never met Mr. Robert or any one of his associates, except Mr. McConnell, and him only in a social way. I have never been connected with any of their enterprises, and I know nothing and care nothing about their business. My position on this question has grown out of local circumstances exclusively. I have tried to reach a candid judgment on the matter from the facts before me. The circumstances that have been created have produced the result, as far as my attitude is concerned, on the whole question I have endeavored, with all the strength and judgment at my command, to bring whatever powers and knowledge I possess to bear, in order to reach an honest and proper conclusion in regard to every measure brought before this House. I have treated this Bill in the same way as I have treated others. I do not mean to say that I have not been subject to some political prejudice, but I will say this, that I believe nothing has had a more bewildering effect, or made it more difficult for me to reach a proper conclusion in reference to this measure, than the manner in which the subject has been treated by the press.

I have been influenced in coming to a conclusion by at least four general considerations.

HYDRO-ELECTRIC DEVELOPMENT

In the first place, I regard the development of hydro electric energy in connection with this Province and at this juncture in its history, as essential in the interests of the people of Nova Scotia. One of the greatest agencies, if not the greatest, that brought about the enormous increase in the population of the city of Montreal in the last ten years, has been, in my opinion, the development of hydro electric power. Great industries have

sprung up, and business development has taken place that would not have been possible otherwise. We in Nova Scotia are standing, in a sense, at the parting of the ways, and it is for us to say whether we will turn our attention to the development of this great industrial agency or not. The Province of Ontario is basing its industrial future, in a large measure, upon two things, namely: technical education, and the development of hydro electric power. They are spending in the city of Toronto, for a technical school building, two and a half millions of dollars, and the Province is doing everything in its power for the development of hydro electric energy. Knowing the possibilities of hydro electric energy and the enormous development which that agency has produced in Montreal, Toronto and in the United States, and that our conditions in this Province are of such a primitive character, I could not help but be influenced by an earnest desire that something should be done in this direction by the Province of Nova Scotia. In my judgment it is the one essential thing for this Province if we are to have any real industrial development in competition with other parts of the world, and we should hesitate at no reasonable sacrifice in order to accomplish this desired end.

CONTROL OF PUBLIC UTILITIES

In the second place my judgment has been affected by the belief that the trend of modern thought is in the direction of public control of public utilities as the best means of rendering to the people a proper and efficient service in that direction. There are three ways in which public utilities may be operated. The original method adopted, and that employed to the greatest extent, was that of private ownership regulated as far as possible by competition to bring about both proper rates and proper service. It was found, however, that in the case of telephones and, certain other public utilities, competition was not a practical method of control, and the excessive capital employed in certain cases, together with inadequate service and high charges led to a change of public thought on the question. The next method employed and used to a considerable degree in Great

Britain, and to some degree in the United States, was that of public ownership. This, experience has shown us, involves certain draw-backs leading to inefficiency. As most of us know, under such circumstances it is almost impossible to eliminate politics, and politics does not make for the highest efficiency in the management of any class of business. The third method employed, and that which I believe to-day finds the greatest support among thinking men, is that of private ownership with public control. That is the method that has been adopted in this Province, and it is the one which, I have no doubt, will make for the highest efficiency wherever properly applied. I have just had access to an article written by Prof. O. D. Skelton in connection with a recently published work, and one that might be regarded as almost the last authoritative word on the subject, which states:

"Especially in the West, public utilities came to be conducted largely by the municipalities themselves. The movement in the East, except where waterworks were concerned, was less sweeping because of more conservative convictions or ties of existing grants of franchise.

"Side by side with the feeling of favor by public ownership grew the conviction that public regulation was a wiser solution than ownership of the problem of natural monopolies. This belief was strengthened by the success achieved by the Dominion Railway Commission—which took the place of the cumbrous House of Commons Committee—in setting the vexed questions between shipper and transportation company with business-like despatch and even-handed justice."

INTRODUCTION OF OUTSIDE CAPITAL

The third consideration which affected my judgment in this matter is that I believe the introduction of outside capital into Nova Scotia at the present time is essential to the industrial development of this Province. If we, in this Province, are going to be anything more than we now are, it must be by the introduction of capital, by the organization of large companies, and by the employment of up-to-date methods. Anyone who looks

around will see that this is the day of great enterprises; that this is the day of great business undertakings; that this is the day of large capital investments, and, in my judgment, it is perfectly useless for us to think of competing in the world of industry with antiquated methods. The great industrial movements that have taken place on this continent have been brought about through the introduction of large capital, the creation of great organizations, and the employment of science and skill in operation. It is my opinion that while there are disadvantages in connection with large corporations, such corporations properly controlled are essential in order to reach the highest stage of efficiency. In this Province we have been ultra conservative, and if there is any place in the Province in which such conservatism exists to a greater degree than in any other place, I believe that it is in the city of Halifax. Believing these things to be true, I have hesitated to do anything to block any movement in the direction of what I believe to be the proper and irresistible tendency of the times.

Another consideration which has influenced me in this matter is the fact that the men who proposed the development of hydro electric power in the Province of Nova Scotia did not come here voluntarily for that purpose. If I am correctly informed, and I think I am, some of our own people, realizing that the development of hydro electric power was essential in the interest of the Province, and realizing that with our conservatism it was impossible to secure the necessary capital for this purpose here, sought the aid of Montreal men to assist them in the undertaking, and I believe that if these men had suspected the opposition which they have encountered, they would not for a moment have entertained the idea of entering upon the project. As the matter now stands, it is difficult for people looking on to understand the antagonism which this movement has produced.

When this discussion was going on in this House a year ago, the following articles appeared in the Montreal Star, and they give a little idea of what people on the outside think of the matter. The first article appeared in the Morning Chronicle on April 21st, 1913, under the heading "Driving Capital away from Halifax", and reads as follows:

"The Montreal Star says: The Halifax Tram controversy

which seems to have stirred the citizens as nothing has in years, is back to the starting point again. The municipal ownership measures and the company's bill seeking charter amendments have both been virtually thrown out of committee. The only thing that seems clear at the moment is that Mr. Robert and his associates still own and control the Tram Company. It would be a case for surprise if something did not happen to call a halt there in the policy of discouraging the introduction of outside capital in a city which has long lacked courage to capitalize its own resources. Probably Halifax has put more money into outside enterprises proportionately than any city in Canada."

In the issue of the *Star* of May 7th, 1913, and in a more jocular vein under the heading "Highly Impolite and Unnecessary," and with a very graphic cut in which two men are hanging by the neck, the following statement is made.

"To hang a promoter and a politician side by side with a frenzied mob venting its spite with jeers and groans, would be introducing into our midst a highly impolite and injudicious innovation. Financial circles are sure to highly disapprove of anything of the sort and no doubt, the ordinarily calm good sense of Haligonians, who dislike the Robert Tramways Bill now before the Legislature, will find some other way of voicing their disapproval. There appear to be some very strange and unusual elements in the Halifax situation at present, and it would not be strange if the methods proposed were to recoil on their originators. The issue is a very simple one, and there does not appear any reasonable excuse for all the row that is being kicked up."

I give these quotations for what they are worth, but to me they indicate how this matter is looked upon from an outside point of view. As I stated in the beginning, these four considerations have influenced my judgment on this whole matter, namely: First, I believe that the development of hydro electric power is essential to our industrial success in this Province; second, I believe that the trend of public thought is in favor of the private operation of public utilities with proper public control; third, I regard the introduction and encouragement of capital as not

only important, but essential to the development of our industries; and fourth, I believe that having sought the aid of outside men and outside capital, we should deal honestly and fairly with these men in their undertakings.

OWNERSHIP OF HALIFAX TRAMWAY

Now in the remarks of hon. gentlemen in this House, and especially in those of the hon. junior member for Halifax, there has been a constant reiteration of the words "our assets," "our property" and "our franchise", and it seems to me that it has become necessary to disentangle some of the views expressed in regard to these matters, in order to determine what property we are really talking about, who owns that property, and what interests are involved. The question therefore is, who really does own the Halifax Tramway, and what rights and privileges have they? That is a fair question. It will be admitted at the outset that the shareholders own the Halifax Tramway, subject to such debts and obligations as that tramway has had imposed upon it. If the figures handed me are correct, the money already invested in this Halifax Tramway System amounts, in round numbers, to \$3,880,000. As I said before, the shareholders are the owners as far as we know with certain rights and privileges, so the question that arises is, who are the shareholders at the present time? At least this much can be said with perfect safety, namely, that the shareholders at the present time are not the people of Halifax.

This is what has happened in connection with the shares of the Halifax Tramways.

Certain persons who had hydro-electric development in view undertook to buy shares in the Halifax Electric Tramway Company, in order to secure a market for that power when developed. One of the citizens of Halifax, in a letter dated the 10th of September, 1912, specifically undertook to purchase shares from any shareholders in the Province who might want to sell for \$160 per share. That letter was addressed to Hon. David McKeen, and copies were subsequently sent out to the shareholders by the Secretary of the Halifax Electric Tramway Co.,

attached to a letter dated September 18th, 1912, and signed by W. J. DeBlois. The letter was as follows:

"Halifax, N.S., 18th Sept., 1912.

Dear Sir or Madam:

By order of the Board of Directors, I append herewith for your information copy of a letter received from Mr. F. B. McCurdy.

W. J. DEBLOIS,
Secretary.

Halifax, Canada, Sept. 10th, 1912.

"Hon David McKeen,

President Halifax Electric Tramway Co., Ltd., Halifax, N.S.
Dear Sir:—

Within the past few days I have received an offer for my shares in your Company, and am inclined to accept the same. Before doing so, however, I desired to bring the matter to your attention. The number of shares in question, including those owned by my associates, is approximately four thousand.

The price to be paid is \$160.00 per share, and appears to me so favorable that I cannot see my way clear to refuse it.

As a Director, I have naturally hesitated to dispose of my holdings until such time as I have advised you of my intention.

When first approached, negotiations were restricted to my own holdings. As a Director, however, and the largest shareholder, I have naturally desired to obtain for all shareholders the privilege of disposing of their holdings at the same price, if any desired to do so. I have succeeded in making such an arrangement, and any holder wishing to dispose of his shares at \$160.00 may do so.

This offer will hold good up to and including Tuesday, 24th October next on which day all shares of those who decide to sell, properly endorsed in blank, must be deposited with the Eastern Trust Company, who will pay cash for the shares.

I am withholding for the present sufficient shares to qualify me as a member of the board.

Yours very truly,
F. B. McCURDY."

What was the result? On the first of November, 1912, Mr. McCurdy delivered to the Montreal people 9,863 shares, the purchase price of which amounted in all to \$1,657,395. That is to say, the people of Halifax, by their own deliberate choice and at a high price, sold out their interest in the Halifax Tramway Company to these Montreal financiers. This was in addition to what had been purchased on the market previously by the Montreal interests. They therefore came into ownership of this property, and it was theirs to all intents and purposes.

MR. BUTTS: Will my hon. friend repeat these figures and dates?

MR. TORY: The first letter was addressed to Senator McKeen as President of the Halifax Electric Tramway Co., under date of September 10th, 1912, and the letter which accompanied this letter to the shareholders was dated the 18th of September, 1912. The figures are as follows:

On the 1st day of November 1912, Mc. McCurdy delivered to Mr. Robert the following shares:

6,000 shares at \$170 per share (including bonus)...	\$1,020,000
3,863 shares at \$165 per share (including bonus)...	637,395

Total.....\$1,657,395

being \$79,315, in excess of \$160 per share.

These are the facts with regard to the question of ownership. These men bought at a price of five or ten dollars per share above that paid by Mr. McCurdy, in addition to what they had already invested in the enterprise, thereby coming into proper possession of the Tramway Company. These facts clear the ground as to the question of ownership.

MR. MACLENNAN: Do I understand my hon. friend to say that Mr. McCurdy bought the shares at \$160.00 and sold them at \$170.00 thereby making a profit of \$79,315?

MR. TORY: On the first of November 1912, he delivered 9,863 shares, part of which were bought at \$160, as per circular letter. Mr. McCurdy had purchased prior to that in the vicinity of 4,000 shares, for which he probably paid less than \$160. He made \$79,315 over and above \$160 per share. and I think he made a good deal more than that, for I presume the 4,000 shares he

already owned had been bought on the market before the price went up, and I therefore presume the transaction stood good for a clear \$100,000. When Mr. Robert was here last year, he stated before the committee that he paid more than \$160 for his shares, but I believe some people doubted him at the time.

In addition to this matter of ownership of the physical property, there went also certain rights or franchises, namely, the right to use the streets of the City of Halifax for the purpose of operating a tramway system under conditions set forth in their charter, and the right to supply and distribute electric energy to the citizens of the city, also under certain conditions, and as far as I have been able to ascertain, in the exercise of these rights and franchises the obligations imposed by their charter have been fulfilled to the letter.

Now that clears the ground with respect to the question of ownership, and the right of the Company to operate in the City of Halifax so long as the obligations of the Company are discharged and so long as no new factor enters into the question.

THE RIGHTS OF THE CITY

Now, what are the rights of the City? The particular rights of the City arise in the first place under Chapter 107 of the Acts of 1895, Sec. 33, which reads as follows:

"33. This Company shall pay half yearly to the City of Halifax a sum equal to four per cent of the gross tolls collected or received by it during such half year, from the operation of its tram or railway within the City of Halifax under the provisions hereof, and the Company shall further pay unto the said City of Halifax a license fee of one thousand dollars annually, for the exercise of all the other franchises conferred upon it by this Act. And the same shall be a first lien on the gross income of the Company. And such payments shall be in lieu of all other municipal assessments or taxes whatsoever, levied or leviable by said City on the said Company, or the property thereof, except upon the real estate owned or occupied by it; and for the carrying out of this clause all books of income account or other data kept by the Company,

or other evidence showing the daily gross earnings of its tram or railway, shall be open to the inspection and examination of any officer appointed by the City Council. The Company shall at the end of each six months make a return of such gross earnings under oath of its superintendent or manager, and in case the amount payable under this clause or any part thereof shall remain unpaid for three months after the same is payable, the Supreme Court or a judge thereof, may appoint a receiver of the tolls and fares of said road, and the said receiver shall out of the amount so collected by him pay the City the amount due it with costs."

That shows what the company had to pay to the city, and up to the present I have heard no complaint that the obligation on the part of the company has not been faithfully carried out. The penalties are so severe that it is practically impossible to do otherwise.

The next particular obligation was contained in Chapter 66 of the Acts of 1906, which referred to the electric lighting aspect of the matter, and which reads as follows:

"1. The said Halifax Electric Tramway Company, Limited, in addition to the taxation by law imposed upon the real property owned by it, including the real property formerly the property of the Peoples' Heat and Light Company, Limited, and of the Halifax Gas Light Company, and the sum of four per cent on the gross tolls received from the operation of its railway, and the license fee of one thousand dollars imposed by section 33 of chapter 107 of the Acts of 1895, and water rates, shall pay half-yearly to the City of Halifax on the first days of May and November in each year, a sum equal to two per cent on its gross receipts during the half year preceding, from the supply of electric energy and gas for lighting or power, and such sum shall constitute a lien or charge upon all the property, real and personal, and the franchises of the Company and may be collected in the same manner and with the same remedies, and at the same time as the other rates and taxes of the City; and in addition to such remedies, if the said sum remains unpaid for three months after the first day of May or November, in any year,

the Supreme Court, or judge thereof, may appoint a receiver of the tolls and income of the Company, who shall, out of the moneys so received by him, pay to the City the amount of the said taxes then in arrear."

And here again, as far as I have heard, no one has disputed the fact that these obligations on the part of the company have been honorably and faithfully met.

But there is another aspect of the rights of the city that has been introduced into this debate. I refer to the projection of the social aspect into the legal aspect of the matter under the Public Utilities Act. As hon. gentlemen know, there has grown up, and I think properly so, a claim that the rights of contract might be invaded for certain specific reasons growing out of social rights. I do not intend to enter upon a discussion of this matter at length, more than to note the fact that this aspect of the question has to be recognized, and that it has been introduced into this debate in such a way as to make it necessary that it should be recognized. There is, therefore, first, the rights of the company under its charter; and second, the rights of the city under contract as contained in that charter.

THE PEOPLE'S RIGHTS

Now, there is another point that I desire to consider, and that is the general rights of the people. What general rights have the citizens of Halifax in connection with this matter? They have the right to every protection that can be afforded them by this Legislature, but they have not the right to require this Legislature to do anything that is wrong, and for myself, I wish to say that if ninety-nine per cent of the people, instead of eighty per cent as is claimed, desired such a thing, I would not regard it as necessary to be stampeded by political expediency into what I might regard as an improper course. In this instance this House has to consider not only the rights of the citizens of Halifax; they have to consider the larger rights of the citizens of this Province, and of other localities of this Province. There are the claims of other counties and localities to be considered, and while in this case, the city of Halifax would have the prior right, there are

other rights to be considered, and the recognized principle in such a case is that the part, if necessary, must make some sacrifice for the advantage of the whole. I do not admit, however, that in this case any sacrifice is necessary.

RIGHTS OF CONTRACT

I now wish to deal more particularly with another phase of the question, that is, some of the arguments growing out of the alleged right of contract. This was the basis upon which the hon. junior member for Halifax, Mr. Finn, the hon. senior member for Halifax, Mr. Faulkner, and other honorable gentlemen built up their argument against this Bill. Some of the arguments produced by hon. gentlemen of the legal profession appear most remarkable to a lay mind. Take for example the argument of the hon. junior member for Halifax. What was the foundation of his argument? It was the solemn obligation of contract, but while on the one hand he held up the sacred and solemn obligations of contract, on the other he held up the new socialistic doctrine by which a contract can be invaded at will. To give a specific instance, he argued that under the proposed re-arrangement of the company's finances, \$30,000.00 more than is now used would be required to pay fixed interest charges, which amount he claimed might be taken, under the Public Utilities Act for the purpose of reducing the rates charged for light in the City of Halifax. But more than this, while invoking the sacred rights of contract, he sought to justify one of the most pernicious pieces of confiscatory legislation ever introduced into this House. I refer to Bill No. 29, of 1912. I noticed a letter in the press of today from a citizen of Halifax, and by the way the father of this Bill, I believe, in which he also invokes the sacred right of contract, while as a member of the finance committee of the city of Halifax in 1912 he promoted this iniquitous piece of legislation, and Mr. Speaker, as a monument to the legal gentleman who attempted to justify this piece of legislation and a monument to Mr. Alfred Whitman of this city, I propose to embalm upon the records of this House for future reference this document which is now justified by hon. gentlemen while invoking the sacred rights

of contract, and which is justified as a proper proceeding under this new socialistic doctrine. This Bill 29, introduced in this Legislature in the year 1912, entitled "An Act in relation to the Halifax Electric Tramway Company, Limited, and the City of Halifax," reads as follows:

"Whereas the exclusive franchise of the Halifax Electric Tramway Co., (hereinafter called the Company) to operate tram cars on the streets of the City of Halifax, (hereinafter called the City) will expire in the year 1916:

"And whereas, it is desirable that an agreement should be made for a continuance of such exclusive franchise for a further period on terms more favorable to the City than those heretofore prevailing:

"Therefore, be it enacted by the Governor, Council, and Assembly as follows:

"1. The exclusive franchise to operate tram cars on the streets of the City conferred on the Company by Section 34 of Chapter 107 of the Acts of 1895 is hereby extended for a period of twenty-one years.

"2. The amount of bonds or debentures of the Company and the rate of interest thereon, shall not be increased beyond the present amount of \$600,000 of first mortgage bonds, bearing interest at five percent, and no second or other mortgage or other charge of any description shall be placed on the property or franchises or income of the Company.

"3. The amount of capital stock of the Company shall not be increased beyond the amount of \$1,400,000 common stock now existing, and no stock shall be granted any preferential rights.

"4. The property and franchises of the Company shall not be sold, leased, conveyed, transferred or hypothecated to any other Company, except to a bona fide trust company for the purpose of securing the said issue of \$600,000 of bonds, and any such sale, lease, transfer, conveyance or hypothecation shall be deemed ultra vires and illegal, any Act of the Legislature or any provision in any Act to the contrary notwithstanding.

"5. No share of the stock of the Company shall be held by

any Company having objects similar to those of the Company, or by any person in trust or for the benefit of any such Company, directly or indirectly, and if any such other Company or any person in trust for or for the benefit of any such other person, the Company or person so holding such share shall be incapable of voting upon the same either in person or by proxy at any meeting of the Company.

“6. (1) No agreement between the Company and any other person or any other Company for the supply of electric current to the Company shall be valid unless the same has been approved by the City Council of the City, and such approval shall not be given unless it is shown that such agreement will effect substantial economies in the operation of the Company, and be for the interest of both the Company and the City.

“(2) If the City Council fails to approve any such proposed agreement the Company may apply by petition to the Supreme Court sitting en banc, and if the Court is of the opinion that such agreement will probably effect substantial economies in the operation of the Company, and be for the interest of both the Company and the City, it may confirm such proposed agreement, but not otherwise.

“(3) If any such agreement is approved by the City Council, any ratepayer of the City may in his own name, without joining the Attorney-General, begin an action in the Supreme Court to set aside and cancel such agreement, and the Court may on it being shown that such agreement will probably not affect substantial economies in operation of the Company and be for the interest of both the Company and the City, set aside and cancel the said agreement. Any such action shall be begun within six months from the date of such approval, and the plaintiff may be ordered by the Court or a Judge to give security for the costs of any defendant.

“(4) If the Company enters into any such agreement for the supply of electric current without the same having been approved by the City Council, or confirmed by the Court, it shall be deemed a violation of their charter, and the rights

and franchises granted thereby shall thereupon cease and determine.

"7. The existing taxes and contributions as paid by the Company to the City at the passing thereof, including the contributions in respect to its gross revenue from the tramway and the supply of gas or electric current shall continue.

"The net profits on the operation of its franchise by the Company shall be divided as follows:

"(1) In payment of a dividend not exceeding eight per cent to the holders of stock.

"(2) Four per cent on the common stock to be yearly set aside as a fund to be applied as required in extensions and improvements of the Company's property.

"(3) The remainder to be equally divided between the Company and the City.

"9. The Company may at any time reduce its charges for carriage on its cars or for the supply of electric current or gas, and the consent of the Public Utilities Commission shall not be required to validate any such reduction.

"10. The City shall at all times have full access to the books of the Company for the purpose of checking or auditing any statement by the Company of its net earnings and expenditure."

I am placing this upon the records of this House as a model piece of confiscatory restrictive legislation, agreed upon by the retiring directors of the company with the city Council, by which it was proposed to invade by an arbitrary act the solemn rights of contract, and which hon. gentlemen here have sought to justify. If anybody thinks that this is only my own opinion on this legislation, I wish to tell him that this is not so. I am going to read a paragraph from a letter by one of the ablest Judges in this Province referring to this Bill. I have before me a letter written on the 4th of April, 1912, by Mr. Justice Russell, and which appeared in the public press at that time. I shall read one or two paragraphs which specifically bear upon the character of this legislation:

"But what would be thought of the proposition by the enlightened public? No western barnstormer has ever gone

so far as that. It was left for the conservative old city of Halifax, to embrace a programme of confiscation such as would make Gladstone turn over in his grave could he hear of it. 'When I asked him', says G. W. E. Russell, 'whether by Socialism he meant the State doing for the individual what he ought to do for himself, or the State taking private property for national purposes, he replied with indescribable emphasis: 'I mean both, but I reserve my worst billingsgate for the latter.' The taking of private property for public purposes has no terrors for the promoters of this measure."

"In the meantime the proposition now before the House of Assembly is simply a grotesque and irrational jumble of two conflicting policies. The business of carrying passengers along the streets is either a private enterprise or a public service. We have treated it as a private business and private individuals have risked their capital and put forth their energies to make it a success. If their enterprise had been a failure they would have been allowed to stew in their own gravy. It happens that they have made their business a success, and, presto, the public, through their City Council, insist that they must have a slice of the property that they declined the opportunity of creating and owning because they feared the risk of possible failure and loss. Surely such a proceeding savors of piracy and confiscation.

"The Street Railway Company undertook a risk for which the public was not ready. It has given us a good service, has carried us from the depot to the City for one-fifth of the price charged by the cabmen. has kept the streets cleared on some days when they would have been otherwise impassable, and in general has kept faith with the public and performed its obligations. If it has made money for its shareholders that is no good reason why its property should be confiscated for the general public."

Without further comment I leave to the judgment of this House Judge Russell's pronouncement upon that proposed piece of legislation.

MR. FAULKNER'S ARGUMENT

I now wish to deal for a moment with the argument of the hon. senior member for Halifax, Mr. Faulkner. Hon. gentlemen will remember that while the hon. junior member for Halifax, Mr. Finn, argued largely from the premises of the solemn obligations of contract, and evidently knowing that he was on dangerous ground under the circumstances, also argued, but not so vigorously, that Public Utilities might control and invade the rights of contract, the hon. senior member for Halifax, Mr. Faulkner, touched very gingerly on the rights of contract but based his argument largely on the socialistic theory that you had the right to invade contracts, and he proceeded to say that because the company had been earning under the strict interpretation of its contract, after fulfilling every obligation and carrying on the business in the manner agreed upon, and under these circumstances had produced a surplus, that it was proper for the surplus to be taken away under the Public Utilities Act. Now, I do not propose to argue against the socialistic theory upon which this argument is based, but my point is, that if you base an argument on the theory that under certain circumstances you have the right to invade contracts, then you cannot advance the argument of the solemn obligation of contract. You cannot ride the two horses at the same time. I have no contention with the socialistic theory, so long as it is properly applied. But, if we are going to invoke the right of contract for certain proper reasons, then let us do it as men, and thereby acknowledge that it must work both ways. You cannot invade the rights of contract when applied to the city, and refuse to invade the rights of contract when applied to the company. Generally speaking, the whole argument of the senior member for Halifax was in effect, that we were attempting to bonus this enterprise simply because the company had earned a certain surplus in the operation of its business under its contract with the city, and if this surplus was used for the payment of interest it would be equivalent to the city bonusing the enterprise to that extent. This same argument was advanced last year by the Halifax Herald, and an appeal was sent forth to the people of this city,

and this very argument was made the basis of an attempt to practically confiscate the assets of the Company. It was a socialistic appeal, the substance of which was that because the company was earning \$100,000 surplus, we should take away the whole enterprise from the company, and the hon. senior member for Halifax comes here today as a director of one of our large corporations, and tells us that we should not invade the rights of contract as far as the city is concerned, but that we should take away this \$100,000 of surplus which the Tramway Company is now earning. What would the hon. member say if we should suggest taking away \$100,000 from the Telephone Company? Would my hon. friend stand for these socialistic principles in this instance?

MR. FAULKNER: Yes.

MR. TORY: I say it is utterly fallacious to attempt to stand on the rights of the solemn obligation of contract at one moment, and to argue the right of invasion of contract the next moment. We have certain socialistic rights, but the moment we admit that principle as applied to contracts, that moment we embrace a new doctrine which must cut both ways. The whole argument of my hon. friend Mr. Faulkner, is, in effect: "Take away anything from the Tramways Company, invade its contract when it is necessary in the interests of the city, but do not even change its name when it is in the interest of the company. Do not give the company any advantage when dealing with the City, but give the city every advantage under your socialist doctrine when it comes to dealing with the company." I wish to say here in all candor, that if there is one thing more than another which has influenced me to say a word on behalf of the company, apart from the general considerations which I set forth in my introductory remarks, it has been the unusual and irresponsible attitude in the direction of the invasion of the rights of the company. I have no personal interest whatever in the company, and would much sooner be arguing on behalf of the people, but I cannot accept the position which the hon. members for Halifax and others have taken in this instance. Not only in the instance I have cited, but in other instances, the attitude of the city of Halifax on this question of the tramway has been to disregard

practically altogether the rights of contract, and as a consequence they have no right to come here and plead the solemn rights of contract while they themselves are the most flagrant violators of those rights.

Take for instance the Bill that was introduced into this House last year at the instance of the City Council. I wish for the sake of future reference to put on record one or two paragraphs from this Bill No. 111, of 1913, but before doing so I wish to say that if that Bill when presented to this House had been fair and reasonable, it would have been very difficult for me to refuse to support it, but when the city proposed what to me was arbitrary and unreasonable, I could not support it. The clauses to which I refer are as follows.

"(17) Upon the coming into force of this part of this Act as provided in the first part hereof the City may proceed to acquire the property and franchises of the Company in the manner and upon the terms hereinafter set forth.

"(18) The City may offer the Company for its property and franchise the sum of two million nine hundred and eighty thousand dollars, the same being the amount of its bonded indebtedness (\$600,000) and the value of its capital stock (\$1,400,000 par value) at the price of \$170 per share.

"(19) Upon such offer being made the directors of the Company shall at once call a meeting of the shareholders at which the offer of the City shall be submitted for consideration.

"(21) If the said meeting does not accept the said offer of the City, the sum to be paid by the City to the Company as compensation for its said property and franchise shall be determined by arbitration as hereinafter provided.

"(23) The three arbitrators so appointed shall determine the amount of compensation to be paid by the City to the Company.

"(24) The provisions of the Arbitration Act shall apply to the proceedings of such arbitration, except that the period of three months provided by section 4 thereof shall be extended to six months.

"(25) In determining the amount of such compensation the arbitrators shall allow the Company the present value of all

its lands, buildings, fixtures, stock, plant, machinery and all other property real and personal of every description, including the value of its rolling stock, poles, wires, rails and gaspipes, and the cost of placing the same in, upon or under the streets, together with ten per cent. added to the value of such property other than the value of its land apart from any building thereon, *but shall not allow any sum whatever for the franchise, or any allowance whatever for good will or loss of prospective profits."*

These were the provisions of the Act of last year which proposed to take away the rights of the company by an arbitrary Act of this Legislature, without even consulting the company, and without any regard to the solemn obligations and rights of contract. If a Bill had been brought in containing fair provisions for the acquiring of the company, it would have been difficult for me to refuse to support it, but when it came in the form of arbitrary confiscatory legislation it was impossible to give such legislation support. And apart from this, I was quite conscious, from conversation with people of the city, that there was no serious sentiment here in favor of municipal ownership.

I now come to some considerations in regard to the Bill itself. As I have already stated, this Bill has been discussed so thoroughly that there is very little that need be said about the different clauses. There are, however, four general considerations growing out of the Bill, to which I wish to refer.

1. The Large Powers Granted

The first of these considerations grows out of the sections setting forth the objects and powers of the new company. During the debate upon this Bill, both before the committee and in this House, much has been said about these objects and powers. In considering the objects and powers of any corporation, we must keep in mind two things; first that the right of the citizen embraces complete liberty of action except where restricted by law; second, that the right of a corporation embraces no liberty at all except that which is specially conferred by law; hence it is that in the creation of companies many seemingly unnecessary powers are added to their corporate rights, growing out of the fact that

they are restricted in their right of action by this principle. Now, with regard to the powers granted to the company under Bill No. 97, and about which so much has been said, let me say this, that upon examination of these specific clauses in the Bill, I believe that there is no right or power that could not be exercised by the citizen without any authority whatever, showing conclusively, that as far as these powers in themselves are concerned, they are not improper, but it is possible that in some cases they may not be expedient. The only objection, however, that has been raised about these powers that has particularly appealed to me, was that raised by the junior member for Halifax, Mr. Finn with regard to section (y) which reads as follows:

"to sell, exchange, lease, mortgage, dispose of, turn to account, or otherwise deal with the whole or any part of the property, undertaking and rights of the Company for such consideration as the Company may think fit, and in particular for shares, debentures, or securities of any other Company having objects altogether or in part similar to those of this Company;"

This section, however, must be read in conjunction with section 77 of the Public Utilities Act, which reads as follows:

"77. No franchise nor any right under any franchise to own or operate any public utility, or to use the tracks of any tramway, shall be assigned, transferred or leased, nor shall any contract or agreement with reference to or affecting any such franchise or right be valid or of any force or effect whatever, unless the assignment, transfer, lease, contract, or agreement has been made under the authority of a statute, or with the written approval of the Board. The approval of the Board of any such assignment, transfer, lease, contract or agreement under this section shall not be held or construed to revive or validate any lapsed or invalid franchise or to enlarge or add to the powers and privileges contained in the grant of any franchise or to waive any forfeiture."

The point raised by the hon. member for Halifax was that Section (y) gave the company the right to transfer its franchise. I think, however, that is doubtful under Section 77 of the Public Utilities Act just referred to. If there is any doubt about that, I shall be glad to see this clause amended so as to make the

matter perfectly clear, for while I do not hold that a company should not be given, under proper conditions, the right to transfer its franchise, I think that all the facts in connection with the case should be brought under review either by the Public Utilities Board, or by the Legislature itself, before permission is given to make such transfer.

2. The Right of Transfer

The second consideration of importance to which I wish to refer is the question as to whether the company should be given the right to transfer its property, rights, and franchise to the new company. This is the consideration which called forth all the arguments on the rights of contract. Under the circumstances I am of the opinion that even if it were regarded as an invasion of the rights of contract, if it could be shown that it was in the interests of the company, and at the same time, in the interests of the people of Halifax under the socialistic theory with regard to public utilities, it would be quite proper to invade the right of contract, but I think it has been pretty clearly shown, both by the hon. Commissioner of Works and Mines, and by the hon. member for Kings, that if there is any invasion of contract at all, it is nothing more than a technical invasion. As has been shown, Mr. Robert and his associates are the owners of the Halifax Tramway Company; Mr. Robert and his associates are also the owners of the new company, and what they are asking, therefore, is simply the right to transfer these properties, rights, and privileges to themselves under a new name, preserving to the city of Halifax every right and obligation which belonged to it under the charter of the old company. The thing asked for in effect is simply a change of name. We have the same people, the same rates, the same franchise, except that it is transferred to a new company under a new name.

3. The Right to Develop Hydro Electric Power

The third general consideration in regard to the Bill itself is the question whether the company itself should be allowed to develop hydro electric energy as a part of its individual undertaking. The company claimed that under Sections (e) and (f)

of the Halifax Electric Tramway Company's charter they had at least the implied right. These clauses read as follows:

"(e) The carrying on of the business of manufacturers, distributors or suppliers of electric energy and of all other materials and apparatus for the application of the same for any useful purpose.

"(f) The doing of all things reasonably necessary or incidental to the attainment of such objects.

I observed that the hon. junior member for Halifax, Mr. Finn, when reading the objects of the company omitted these sections. The company claimed that under these sections, they had the implied right to develop hydro electric energy in any manner they saw fit. They further said that in connection with their business, they regarded it as absolutely essential in the interests of the city of Halifax, and in the interests of the company, to have this hydro electric development. They claimed that in their charter they had the right to generate it in the best possible manner. They claimed that in doing so they could save money for the city and also for themselves, And for myself I cannot see any reason why these men, having this property, could not associate with it this hydro electric plant for the purpose of developing hydro electric current with as much right as if it were a steam plant. It might be that this was not anticipated in the original act, but if it is in the interests of the company, and if they can save money by it, is there any reason why they should be told that they cannot do it on account of some technicality which stands in the way? To me, as a business man, and looking at it as a business proposition, there seems to be no question as to the propriety of permitting the company to do as they desire in this direction.

4. The Right to Use Property as Security

The fourth important consideration is as to whether the company, admitting hydro-electric development to be desirable, should be allowed the right to use its present assets as a basis for the issue of securities to furnish funds for this hydro-electric development. It has been argued most vehemently that this should not be permitted, but no one has so far, to my mind, suc-

cessfully answered the argument to the effect that it was the best possible manner of carrying out the purposes of the company, from the company's standpoint, and I am of the opinion, that if properly done, it will not only work out in the interests of the company, but it must necessarily work out in the interests of the people of Halifax as well. There is absolutely no doubt that the securities can be placed more advantageously by placing them upon the whole property than otherwise, and in addition to this, it does seem unreasonable to attempt to prevent men from using property which they themselves own for the purpose of securing funds for the development of the same property.

In view of the proposed amendments to the Bill eliminating the agreement governing the issue of securities, and placing the whole matter under the Board of Public Utilities, it is scarcely necessary that I should say anything on this point, at least not more than a word or two in passing. Nearly four-fifths of the argument of the hon. junior member for Halifax, Mr. Finn, was built up around this phase of the question. I wish to be perfectly frank about the matter, and therefore would say, that the agreement with reference to the issue of securities has been the most perplexing part of the problem. My belief in the necessity of hydro electric development deterred me from any action which would tend to destroy that development. I have no desire whatever to see a lot of water poured into this enterprise but on the other hand, we have to remember that conditions in Nova Scotia are not ideal. We have not the same conditions that they have in large centres of population and industry. One solution of the difficulty in connection with the issue of securities was found in that embodied in the suggested amendment, whereby the nominal value of the securities should not be taken into consideration when fixing rates and charges. That is one means of destroying the effect of water in the stock, because common stock cannot be of value unless a dividend is declared upon it or unless there is a prospect of a dividend. Notwithstanding, having given the Bill a great deal of consideration, I have reached the conclusion that the agreement following section 30 should be eliminated, and that there should be substituted therefore a clause covering the

ground in the manner indicated by the hon. member for Kings, Mr. Wickwire.

MR. MARGESON: Do I understand the hon. member to say that the agreement contained in the Bill provided for a large amount of watered stock?

MR. TORY: It provides for \$6,000,000 of common stock, and there is no doubt some water in that. With respect to this matter of common stock, I think it but right that I should say a word or two. I cannot understand all this anxiety about the common stock of the tramway company when there seems to be no anxiety whatever about the common stock of any other company. It is doubtful if any of the large corporations organized in this Province have escaped watered stock. One reason why common stock is attractive is that there is a certain element of fascination about getting what appears to be something for nothing. But another reason, from the financier's standpoint, is that by the issuance of common stock, which has to depend for value upon the earnings of the enterprise, the fixed charges are reduced in the initial stages of the new company, and at the same time, it compels the success of the enterprise before the security can be of value. My attention was called some time ago to an article in McLean's Magazine, which not only throws some light upon the organization of companies in Nova Scotia, but suggests something as to our methods of financing, and, as a matter of fact, makes special reference to this very subject under consideration. I shall not read the whole article, but only that portion of it which particularly bears upon the matter in question, and which reads as follows:

"It was in his banking days that he struck up a friendship with a young law student by the name of John R. MacLeod, who boarded in the same house, MacLeod was a quiet, methodical, dreamy sort of a chap, who thought a good deal and was addicted to figuring plans for the future. The two men compared notes, discussed their ambitions together and generally helped each other along. They were the natural complements, one of the other,—McCurdy, aggressive, dominant and strong-willed; MacLeod, cautious, calculating, and resourceful.

"The pair must have had many conversations over their prospects. They were able with their keen young wits to size up a situation which up till then had escaped the attention of the conservative old financial institutions of the Eastern Provinces. This was the absence of almost all efforts to get the monied classes to invest their funds in local enterprises. McCurdy, through his acquaintance with the affairs of the Halifax Banking Company, knew that there was plenty of money awaiting the man, who could present attractive investments in an up-to-date way to the people. Nova Scotians were generally speaking well-to-do folk, who, instead of investing in their own Province, were sending their money to the West and sinking it in mines and real estate.

"From this germinal idea there grew the plan for the business of F. B. McCurdy & Co. Mr. Wallace viewed the project sympathetically and promised such support as he could give. The ex-secretary had saved up a few thousand dollars during his banking career and with this modest capital and in the way already mentioned, he branched out in the early part of 1901.

"From selling exchange, Mr. McCurdy soon expanded his activities into a general brokerage business, and the little office in the Metropole Building presently became the scene of considerable life and movement. It must be remembered that at this time, business in Halifax was done on extremely conservative lines. There were one or two houses dealing in stocks and bonds, but such a thing as a leased wire was unknown. Likewise marginal trading was a proposition that received little or no attention.

"McCurdy sprang both these novelties on the public with great success. He acquired a private wire to Montreal and through sub-leasing it to brokers in Sherbrooke and St. John, reduced the heavy rental considerably. He appointed an agent in Montreal to handle his orders on the exchange and set to work to cultivate business in Halifax. For a time the startled Haligonians were inclined to think he was running a bucketshop, and indeed some steps were taken by the author-

ities to stop his operations, but it was soon demonstrated that he was carrying on a perfectly legal enterprise.

"Then this progressive young man made another innovation. He started the peddling of stocks and bonds through the country. Hitherto the people who wanted to invest had to go to the brokers to do so. No effort was made to practice the arts of salesmanship on them or to cultivate the great untilled field of hoarded savings. First one salesman was employed, and then another until quite a large selling force was at work. A selling system was built up, which has proved its usefulness in the case of numerous flotations.

"But buying and selling stocks for other people, no matter how vigorously it may be prosecuted, is but a slow road to wealth. Other resources must be tapped. It is not unlikely that Mr. McCurdy made his first important haul through the reorganization of the Stanfield Woollen industry in Truro, early in 1906. Under the skilful management of the Stanfield brothers the business was expanded rapidly and a flotation of new stock to finance its enlargement looked like a good thing. McCurdy, MacLeod and the two Stanfields, all young men, formed a quartet typical of the new and progressive spirit, which was beginning to leaven Maritime enterprises. MacLeod promoted the deal, McCurdy underwrote the new issue of stock and the Stanfields stood by the undertaking. When it came to interest the public in the proposition, the McCurdy firm ran an excursion to Truro, entertained a large party of people at the mill and ultimately succeeded in disposing of one of the most successful industrial offerings in Canada.

"From this time onward the firm of McCurdy & Co. became identified with most of the new stock flotations and company promotion in Eastern Canada. Apart from the Trinidad Consolidated Telephones, which was launched in 1909, with a paid-up capital of \$420,000, the bulk of these offerings were made during 1911 and 1912. Most important of all and undoubtedly the one the deal in which Mr. McCurdy profited the most, was the flotation of the Maritime Telegraph and Telephone Company's securities. This company was started in a modest way about six years ago and gradually absorbed

a number of the small independent companies in Nova Scotia and Prince Edward Island. Then in 1911, Mr. McCurdy and his associates got after the Nova Scotia Telephone Company and by working a clever bluff, secured possession of this Company as well. Stocks and bonds to the value of \$2,680,000 have subsequently been sold. In the transaction Mr. McCurdy is said to have made over a quarter of a million dollars.

"The same year witnessed the establishment of the Nova Scotia Car Works in the foundation of which the young Napoleon of finance again played a leading part. The new company which he promoted, acquired the business of the Silliker Car Company, and has since developed it to large proportions. Between two and three million dollars was involved in this deal. Scarcely had the Car Works been concluded that the energetic promoter proceeded to acquire and reorganize the Hewson Wollen Mills in Amherst. A new company, known as the Hewson Pure Wool Textiles, Limited, was formed and stocks and bonds to the amount of \$1,100,000 were disposed of.

"June of 1912 witnessed the Nova Scotia Clay Works flotation. This is a smaller industry, but a prosperous one, involving a capitalization of \$600,000. Two months later the North Atlantic Fisheries, with a paid-up capital of a million dollars, was launched, concluding a lengthy list of successful enterprises.

"Mr. McCurdy had also become interested privately in a pulp industry on the Mersey River, which is now controlled entirely by MacLeod and himself, under the name of the MacLeod Pulp Company, so that his association with the development of industry in Nova Scotia has been far-reaching and varied.

"There are two other incidents in Mr. McCurdy's career as a financier that possess no small interest. It was largely owing to his astuteness that the effort of Sir Rudolph Forget and his associates to acquire control of the Nova Scotia Steel and Coal Company in the spring of 1910 failed. He acted for the President and directors of the Company in the purchase

of the stock that continued the latter in control, outwitting the Montreal financier.

"Then more recently he became involved in a struggle for the control of the Halifax Tramway Company with Mr. E. A. Robert of Montreal. He and Mr. MacLeod had in view the development of power on the Mersey River, while Mr. Robert and Sir Frederick Borden aimed to bring in power from the Gaspereaux River. Mr. McCurdy eventually secured a large block of stock, but when neither party was able to make a further move, he consented to sell out to Mr. Robert. The subsequent effort of the Montreal financier to get legislation passed which would enable him to proceed with the development work on the Gaspereaux, has been temporarily foiled, largely, it is believed, through the veiled opposition of the McCurdy forces."

"First, last and always a man of business, Mr. McCurdy seeks to deceive no one as to his intentions. His aim and purpose has been to make money and all his movements have been calculated to further this end. A glance at his face, round and good-humored though it be, is sufficient to discover that inscrutable look that has puzzled many a negotiator. An excellent hand at a game of poker, would this same F. B. McCurdy make if he were inclined to play. In sheer desperation at his immobility, an opponent would be compelled to throw his cards on the table. This capacity of drawing the other fellow out has been one of his most powerful assets.

"Cold-blooded too, is this man of high finance. Witness the story that is told of his share in the extinction of the Empire Trust Company of Halifax. This institution was founded some years ago by a number of local capitalists, who succeeded by slow degrees in erecting it into a fairly prosperous business. Whether Mr. McCurdy premeditated its doom or not, he gradually acquired sufficient stock to qualify him for a directorship. Once seated at the board, he suggested an increase of capital and offered to purchase all the new shares that would not be taken up by the shareholders. The directors agreed. New stock was issued, and when it came time to cast up accounts, the financier was in control of a majority

of the stock. He then, neglecting all sentiment, coolly turned over the company to its older rival, the Eastern Trust Company, of which he is now a director and a heavy stockholder."

Now, Mr. Speaker, I wish to point out one or two things in connection with this article. First, I wish to call attention to the method suggested in the last paragraph I read with regard to the Empire Trust Company of Halifax, and I desire hon. gentlemen to remember the process employed, and to note that in Mr. McCurdy's letter to Senator McKeen he points out that he is withholding sufficient stock to qualify him as a member of the board.

Second I wish to call attention to the great number of enterprises which have been organized, and I have no criticism to make of them. All credit to the men of Nova Scotia who can awaken Nova Scotians to industrial activity, but Mr. Speaker, will any one presume to say that there was not a lot of water in these flotations?

MR. FINN: They were not public utilities.

MR. TORY: What about the telephone company?

MR. FINN: That got by.

MR. TORY: You will observe, Mr. Speaker, it was pointed out that there was a rake off of over \$250,000 in the case of the telephone company.

MR. MACLENNAN: \$100,000 from the Tramway Company and \$250,000 from the Telephone Company; \$350,000 from our public utilities is not too bad.

MR. TORY: When these Companies were organized was there any outcry about watered stock? I do not think there was any such outcry. In fact, I sincerely doubt if it is possible to develop any great enterprise in Nova Scotia without conforming more or less to the usages of other parts of the world. We can place such Acts as we desire upon the statute books, we can do it in the same way that the Republics of South America make constitutions, but we cannot create ideal conditions artificially. Conditions exist, and we must meet them as best we can under the circumstances, but the point I am trying to make is this; why should all this criticism be employed in the one case, and nothing said in all the other cases.

The third thing to which I desire to call attention is the suggestion in the article with regard to the sources of this veiled opposition. I am becoming more and more convinced that, while my hon. friend from Halifax declares that there has been no politics in this question, there is something in it deeper than politics. The evidence is becoming more and more convincing that there is at work somewhere some sinister influence which has brought about criticism on this Bill altogether uncommon and unusual. What can it be?

MR. HALL: The black hand.

MR. TORY: And while perhaps the matter is not susceptible of absolute proof I believe there is little doubt as to the source of this veiled opposition as suggested in the article and which is in line with the policy of certain people of this City.

In conclusion, Mrs. Speaker, I desire to say that I believe the whole opposition to this Bill can be better understood in the light of unwritten history. About four or five years ago there were two companies, as I understand, attempting to develop hydro electric energy, in this Province, namely, Mr. Robert and his associates, on the one hand, and Messrs. F. B. McCurdy & Co., and their associates on the other hand. Later an arrangement was reached under which they proposed to put into one company the Halifax Electric Tramway Company, the Mersey Power Company, including the MacLeod Company, and the Gaspereaux Power Company. The arrangement went forward to the stage where the Mersey power and the Gaspereaux power were examined, and a comparative report of their respective merits for primary development had been made by the engineers, showing that there was a large advantage in making the development of the Gaspereaux. During this time the parties had been increasing their holdings in the Halifax Electric Tramway for the purpose of carrying out the inclusion of the above undertakings in one company. I do not believe that the purchase of the Tramway Company was intended as a stock jobbing proposition at all, but these people realized that as we had no large market for electric energy, the only way to get the people to put their money into the enterprise on reasonable terms, would be to get absolute control of such market as we had. Now, having some

knowledge of these things, I give it as my considered judgment that the question of a market was, and is, the one vital question in connection with the whole enterprise. While this matter was in progress, Mr. McCurdy became the candidate in Queens-Shelburne for the Federal House in opposition to Hon. W. S. Fielding, and Mr. Speaker, I regard it as an unfortunate day for Nova Scotia when Mr. McCurdy entered politics, because I regard his connection with the industrial and other enterprises of Nova Scotia as of far greater value to this country than his services as a representative in the Parliament of Canada can ever be.

In the heat of the campaign Mr. McCurdy made certain statements in reference to the development of the Mersey, and Mr. Fielding used a telegram from Mr. Robert answering his request for information on the subject. On account of the fact that politics had entered into the situation, a disagreement arose, and nothing further could be done.

MR. HALL: In reply to Mr. Fielding, did Mr. Robert announce that he was president of the undertaking, and that development would take place at Gasperaux?

MR. TORY: I do not know what the terms of the letter were, but it led to strained relations between Mr. Robert and Mr. McCurdy, and when it became apparent that the matter could not be carried through without friction among the members of the syndicate, it was decided that Mr. McCurdy would either buy out Mr. Robert and go with his group, or that Mr. Robert would buy out and go on with his group, in either case the party selling was to stay out of the business, and assist in every way possible the party purchasing. Finally Mr. McCurdy decided that he would sell his tramway holdings, retaining his interest in the Mersey. This agreement was consummated on the first of November, 1912, by the delivery by Mr. McCurdy to Mr. Robert of the 9,863 shares previously referred to. Mr. McCurdy thereby receiving as profit over and above the \$160 per share, \$79,315. By an agreement entered into between the parties on September 11th, 1912, Mr. McCurdy agreed that for a term of five years from that date, he and his associates would not, directly or indirectly, promote, organize, or assist in the promotion, organization or operation of any Tramway in the city of Halifax, nor in the

promotion, organization or operation of any undertaking for the development or transmission of hydro electric power from the Mersey River to the city of Halifax. Now, Mr. Speaker, the time is passing, and it explains to me the persistent and unusual opposition to this Bill.

Honorable gentlemen may draw their own conclusions as to where this opposition is coming from, but as far as I am concerned, I have no doubt about it. If the development of the Gaspereaux can be staved off until 1917, then certain parties will have the whole field for themselves. In view of this fact and others that I have given, I wish to state that I hope the Bill will go to committee, and that everything in it that is not perfect may be made perfect, in order that this Bill may stand as a landmark of progress, fair play and decent protection to property rights in the Province of Nova Scotia. Hydro electric development can do much for Nova Scotia, and if the statements I have laid before the House tonight are as I see them, this House cannot honestly delay matters any further. I will vote to send this Bill to committee, in order to give the men who have put their money into the enterprise, a fighting chance for their lives financially.

THE CLAIMS OF NOVA SCOTIA RESPECTING WESTERN LANDS

April 14th, 1920.

MR. SPEAKER:—

Some few days ago I gave notice that on a future day I would move the following Resolution, and I now rise for the purpose of so doing, and of making some remarks in connection therewith:

RESOLVED, that in the opinion of this House, a Conference should be immediately called of representatives of the Governments of New Brunswick, Prince Edward Island and Nova Scotia, in order that a plan may be formulated for joint action to press for a settlement of the just claims of these Provinces against the Federal Government in respect to the following matters:

1. Compensation as an equivalent for lands reserved for school purposes for the Provinces of Manitoba, Saskatchewan and Alberta.

2. Compensation as an equivalent for cash subsidies paid to the Provinces of Manitoba, Saskatchewan and Alberta, purporting to be in lieu of lands.

3. Compensation as an equivalent for land granted to the Provinces of Ontario and Quebec in which the people of the Maritime Provinces had a proprietary interest in common with the people of the other Provinces of Canada.

4. Compensation for the nonfulfilment of certain obligations respecting the Maritime Provinces, clearly set forth or implied under the terms of the British North America Act.

With reference to that part of the Resolution, or rather the substance thereof, which refers to a Conference, I would say that since the notice of motion was given, I have had a communication from the Premier of New Brunswick, and also one from the Premier of Prince Edward Island, both agreeing with the resolution and the idea of the Conference, and advising me that they would be very glad to co-operate with the Government

of Nova Scotia in order to effect the purpose of the Resolution. With that in view, therefore, and feeling that the view of this House will no doubt be to concur in the idea of a Conference, I intend to direct my remarks more in support of the claims against the Federal Government in order that the facts given may be of some service to the Conference, rather than to a discussion or presentation of an argument in favor of such a Conference.

I regret to say, in the first instance, that no progress has been made by the Government since the discussion which took place in this House last year on the same subject. Now that the settlement of the war obligations is pretty well at an end, it seems to me that the time has come when serious action should be taken with a view to consummating the purpose of the Resolution.

In passing I wish to say that, so far as party politics are concerned, I have no political motive in moving the Resolution. I want that to be clearly understood. It is not a question of party politics, and I feel that just in proportion as party politics enter into the question will our co-operation be weakened, and the success of our effort nullified. It is a question of the co-ordination of the Provinces, of the Maritime Provinces particularly, in such a way as to direct the attention of the Federal Government to the justice of the claims of these Provinces in respect to the matters under consideration. I wish to say also, that I regard the subject—so far as it affects the Maritime Provinces—as one of the most important that is likely to be discussed in this House for some time. In my judgment, our success in obtaining fair play and justice in regard to this matter will have direct bearing on the efficiency of the various services under the jurisdiction of the Maritime Provinces in the future. I am also perfectly satisfied that the question is going to be settled, and settled adversely to these Provinces, unless we are keenly awake to our own interests and to the general interests of the people involved.

It will be seen as we proceed that the claim involves a very large amount of money, and it becomes of the greatest possible importance that a just settlement be effected in view of the continually enlarging demands of the various services for which the

Provinces are responsible. Take, for example, the requirements of our road policy, our educational system, our health service, and our many other services. The demands for the support of these services are so increasing that unless some relief is obtained in the direction indicated, it will be impossible to render to our people the service they deserve, or that which the taxes they pay to the Federal and Provincial Governments warrant. I say again the question will be settled, and settled adversely to the Maritime Provinces unless we are awake, and that is my particular object in again calling the attention of this House to the matter.

BOTH PARTIES PLEDGED TO SETTLEMENT

In 1911, a pronouncement was made by Sir Robert Borden in Winnipeg, declaring that the question of the return of the natural resources to the Western Provinces was a matter that should engage the attention of the Government. He said on that occasion: "Before discussing a subject of great public interest now under consideration before Parliament, I desire to touch certain questions of paramount importance to the people of the West. Today in Canada six provinces enjoy the right to control and administer the public lands, mines, minerals, and other natural resources within their boundaries. That right is not enjoyed by the three Prairie Provinces. The Liberal-Conservative Party since 1902 has firmly asserted and maintains the rights of the three Prairie Provinces to their public domain. We stand for that right today, and we will maintain it. The public lands and natural resources are vested in the Crown, to be administered for the benefit of the people. In six Provinces the Crown, in dealing with the public domain, acts upon the advice of the Provincial Ministers and under laws enacted by the Provincial Legislatures. In the three Prairie Provinces the Crown, in dealing with such lands, acts upon the advice of the Federal Ministers and under laws enacted by the Federal Parliament. Why should there be any such discrimination against the people of these three Provinces? The day is not far distant when Manitoba, Saskatchewan and Alberta will receive from a Liberal-

Conservative Government at Ottawa the just recognition of their undoubted rights to their public lands and natural resources."

Also, in connection with the Liberal Convention which took place in Ottawa last year, the following Resolution was adopted:-

"Resolved, that the Provinces of Manitoba, Saskatchewan and Alberta should be granted the ownership and control of the natural resources within their respective boundaries on terms that are fair and equitable, with reference to all other Provinces of the Dominion."

In addition, in the Speech from the Throne, brought down a few days ago in New Brunswick, this declaration was made:

"No decision has yet been given respecting the claims of the several Provinces upon the Dominion Government. New Brunswick, as one of the four original partners in Confederation, will insist that there be no division of the lands or natural resources until all the Provinces which formed the Confederation are given the fairest consideration."

By the declaration of Sir Robert Borden and the foregoing resolutions, the issue is clearly set forth, and it is up to us to give such support as may be in our power in order that a just settlement of the matter may be effected. I may say, in view of these facts, in the argument I wish to make, I am proceeding on the assumption that the lands are to be granted to the Western Provinces, and that any settlement or suggested settlement which I may offer, is offered with that in view. If I went on the assumption that these lands, or the natural resources as they are more aptly called, were not to be granted to the Western Provinces, the argument would be somewhat different.

THE PRINCIPLES INVOLVED

Now, I also wish to say a word or two in regard to the principles involved in the matter, and I think I should say in respect to the British North America Act, that it is out of that Act the difficulty arises. The principle involved in the Confederation agreement was not that of subjugating one Province to another, or of the Provinces to the Federal Government, but rather the distribution of governmental functions in such a way that the

exercise of these functions should inure as equally as possible to the benefit of each Province, and of each individual in the Provinces.

In corroboration of the foregoing statement, I am going to quote Lord Watson, speaking for the Privy Council in the Liquidator case, so that we may get a clear idea of what is meant: Lord Watson said:

"The object of the Act was neither to weld the Provinces into one, nor to subordinate Provincial Governments to a central authority, but to create a Federal Government in which they should all be represented, entrusted with the exclusive administration of affairs in which they had a common interest, each Province retaining its independence and autonomy. That object was accomplished by distributing between the Dominion and the Provinces all powers, Executive and Legislative, and all public property and revenues which had previously belonged to the Provinces, so that the Dominion should be vested with such of these powers, property and revenues as were necessary for the due performance of its constitutional functions, and that the remainder should be retained by the Provinces for the purposes of Provincial Government."

That, in my judgment, puts clearly the joint interest which we might have in all matters which come under the Federal jurisdiction. There is one other remark I should like to make in this connection, namely, that the claims set forth in the resolution cannot be said to be based specifically on any existing law, for the British North America Act did not contemplate conditions such as have arisen, nor make provision therefor. A very eminent authority, writing on this subject, says:

"A Federal Union, as has been well said, has the defects of its qualities. There are some things perhaps that cannot be done at all; at all events, there are things that cannot be done in the way and shape in which they could be done by the Legislature of one Legislative Union. The Crown's proprietary rights in Canada, as they exist under the British North America Act, cannot be altered, except by conjoint action, and disputes between Governments in Canada can be submitted to judicial determination only by agreement. But apart from the relations

inter se of the various Governments, there are cases in which the interest of the public cannot be fully conserved, in which great evils may flourish, unless by concerted action on the part of the Federal and Provincial authorities the situation is met and the evil suppressed."

Now, my opinion is that the question under consideration comes under that category of events or conditions or questions which have arisen and which must lead to joint consideration, not based upon law in the ordinary sense of the term, but based upon reasonable justice and fair play growing out of the partnership which was created for the purpose of serving all the people as equally as possible and taxing them as equally as possible. The doing of a glaring injustice between the partners of a partnership because of the absence of a special law or agreement, contrary to the spirit of the partnership, is vicious and should not be contemplated. And equally, the enforcement of a law or the terms of an agreement, which works a glaring injustice at variance with the spirit of the agreement is also vicious and immoral. If it can be shown that injustice or unfairness has characterised or grown out of the action of the Federal Government in relation to the Provinces, and especially the Maritime Provinces, I cannot think for a moment that that injustice will be continued after the matter has been brought forcibly and properly to the attention of the authorities.

ORIGIN OF CANADIAN LAND POLICY

I shall now proceed to discuss more closely the question of the lands themselves, or the claims involved. In order that we may have the antecedent facts, or the facts that will help us to understand the matter more fully, it is necessary to know something of the origin of the Canadian land policy. I think it is not generally known, and it has a very important bearing on the question at issue, as I understand it, that the Canadian land policy is partially copied from the land policy of the United States. I am of the opinion that we in Canada did not grasp the significance of certain principles upon which the actions of the United States Government were based, and that therefore we failed in carrying

out those principles or in bringing about that justice to other parts of Canada which would otherwise have been effected.

After the Revolutionary War, and I will just call your attention to this for a moment, the thirteen States of the Union found themselves in possession of the vast territory which extended from the Atlantic to the Mississippi, and north to the Great Lakes. A contention existed as between the various States in regard to the ownership of this land, some of the States even claiming that their boundaries extended to the Pacific Ocean. A sharp controversy followed because the idea prevailed in certain States that tremendous wealth was involved in the ownership of this land. After much discussion the States concerned came together and decided it would be wise—provided the Federal Government or Congress of the United States would undertake the administration of the land in the interests of all the people—to cede the lands to the Federal Government for that purpose, and therefore, in 1782, or thereabouts, all the land lying outside the strip of land along the eastern border was ceded to the United States Congress, and they became the administrators of the public domain outside the particular sections which were owned by the original States and whose boundaries were already established. Later on as opportunity offered, the Congress of the United States proceeded to purchase the lands lying to the West. In 1803 they purchased the section lying between the Mississippi River and the Rocky Mountains known as the Louisiana Purchase. In 1819, Florida was purchased, and in 1848 California was purchased from Mexico. Texas, having seceded from Mexico and established an independent republic, became a State of the Union in 1836, and finally an agreement was reached with Great Britain by which the Oregon territory became part of the public domain of the United States, and consequently all lands in the whole United States, west of the little strip on the Atlantic coast, approximately two billions of acres, came into possession of the United States Congress, and it became necessary for them to create a land policy, or a policy governing the public domain. I recite these facts because you will observe later what was done in Canada, and how nearly we copied the land policy of the United States.

Practically the first thing that was done after the ceding of the land was to set aside certain sections for the purposes of education. The first grants were made under the ordinance of 1786, which set aside one section in each township for public schools, and two townships in each State for Universities. It had been proposed to set aside one section in each township six miles square for religious purposes, but that was not adopted. However, in 1845, the Ordinance was amended, providing for the setting aside of an additional section in each township for public schools, so that growing out of the original ordinance, two sections in each township were set aside for public schools, and two townships in each State for Universities. That was the first law and related particularly to new territories, and from it we got the idea for our Dominion Lands Act. This Ordinance did not extend the advantages of the public domain to those States which had retained the ownership of their lands.

By the year 1836, due largely to the sale of these western lands, a large surplus had accumulated in the Treasury of the United States, which surplus, by an act of Congress of that year, was divided among all the States of the Union, based upon their representation in Congress, and was largely used to create an endowment fund for educational purposes. This step was an acknowledgment of the interests of all the States in the monies derived from the land, regardless of whether they were States in which the land was situated or otherwise. The United States Congress administered these lands, and continues to administer all Federal lands except the lands that are sold to individuals.

The next important Act of Congress bearing on the subject is the Act of 1862, known as the Morrill Act, with various amendments which have been made from time to time since its enactment. This Act was a direct acknowledgment on the part of the Federal Government of the United States of the partnership interest of all the States of the Union in the public domain, and that is the point I want you to understand clearly in respect to the matter. Under this Act there was granted to each State 30,000 acres of public land for each Senator and Representative in Congress to which the State was entitled by the apportionment under the census of 1860; all money derived from the sale

of these lands was to be invested by the State in securities bearing interest at not less than 5%, except that the Legislatures of the States might authorize the use of not more than ten per cent of the capital for the purchase of sites for the college or experimental farms. The interest was to be used for the endowment, support and maintenance of at least one college where the leading object should be to teach such branches of learning as are related to agriculture and the mechanic arts, in order to promote the liberal and practical education of the industrial classes in the several pursuits and professions of life. The distribution of land was made in two ways. Those States that had public lands within their borders could locate and take up the actual acres. If the State had no lands within its borders subject to entry, then land scrip was issued to it; the land represented by such scrip could not be located by the State receiving it, but the Act provided that the scrip might be sold and that the individual purchaser might locate the lands in any State that had public land subject to entry.

Under the Pre-emption Law of the United States in 1841, individual holdings were limited, and legal recognition was given to the fact that 160 acres is the ideal size for a farm, being sufficient land to occupy the energy and attention of a single family. It therefore became necessary to establish some system of scientific agricultural education on a broad and comprehensive scale, as a man situated on 160 acres could never develop the science of agriculture on a broad basis. This seems to have been the basic idea in respect to the Morrill Act of 1862, which indicates the method adopted by the United States with regard to the public domain, and which had in view the giving to all the States a share in the domain in which their interest was acknowledged. Out of this conception has grown up in every State in the Union colleges of agriculture and mechanic arts, which in turn have formed the foundation of the great industrial development of that country.

SITUATION IN CANADA AT CONFEDERATION

We now come to where we stood in 1867. As you are aware, under the British North America Act, four of the Provinces of Canada were formed into a Federal Union; later on in 1871,

British Columbia was brought in, and in 1873, Prince Edward Island. At this latter date, the Provinces had under their jurisdiction 529,000,000 acres of land out of a total of 2,386,000,000 acres which constituted the whole of British North America outside of Newfoundland. The question then arose as to what was to be done with this vast territory outside the Provinces, which then constituted less than one quarter of Canada. In the British North America Act, provision was made by which the other Provinces—the two I have mentioned and Prince Rupert's Land and the Northwest Territory—might become a part of Canada. In 1870 an Imperial Order-in-Council was passed effecting an agreement by which Canada undertook (the four Provinces are all that entered into the undertaking) to purchase this vast territory.

It is necessary to a proper understanding of the situation to know something about Prince Rupert's Land. In 1670, Prince Rupert and seventeen other adventurous spirits had been granted a charter by the Imperial Government of that time to establish a colony in Hudson's Bay under the name of "The Governor and Company of Adventurers of England trading into Hudson Bay." If you read the address given by the hon. the Attorney-General in August, 1918, you will find he has given a very clear statement of what happened in respect to the charter. Suffice to say that these eighteen adventurers were given a vast territory to establish a colony, and from the description it was to embrace all "those seas, straits, bays, rivers, lakes, creeks and sounds in whatsoever latitude they should be that lay within the entrance of the straits commonly called Hudson Straits, together with all the lands and territories upon the countries, coasts and confines of the seas, bays, lakes, rivers, creeks and sounds aforesaid, together with the rights of Government and other rights, privileges, liberties, franchises, powers and authorities." The company made certain surveys of the territory, issued maps, and claimed practically the whole of the land outside the six original Provinces, a territory of between 1,500 million and 1,800 million acres. Never before in the history of the world had the right been given to a small body of men to govern and control so vast

a territory and never was such a territory subsequently purchased at such a price.

The principal terms of the purchase of Prince Rupert's Land were set forth in Sections (1), (5) and (6) of the Order-in-Council of June 23, 1870, and are as follows:

Sec. 1. Canada is to pay to the Company £300,000 when Rupert's Land is transferred to the Dominion of Canada.

Sec. 5. The Company may, for fifty years after the surrender claim in any township or district within the Fertile Belt in which land is set out for settlement, grants of land not exceeding one-twentieth part of the land so set out.

Sec. 6. For the purpose of the last Article, the Fertile Belt is to be bounded as follows: on the south by the United States boundary; on the west by the Rocky Mountains; on the north by the northern branch of the Saskatchewan; on the east by Lake Winnipeg, the Lake of the Woods and the waters connecting them.

This Fertile Belt referred to embraced approximately seven or eight million acres of probably the richest soil on the face of the globe.

As the title to Prince Rupert's Land was not quite clear as to territory, and in order that the Federal Government might have complete control of all the land lying outside the boundaries of the Provinces, another Order-in-Council, or Imperial Act, was passed in 1878, by which all the balance of the land, if there was any outside this area, was ceded to the Federal Government of Canada.

The next step that occurred was the formation of the Province of Manitoba out of that territory purchased in 1870. I am not going to discuss the terms granted to Manitoba, for the reason that these terms were abrogated in 1912, and the Province was then brought under the same terms as the other two Western Provinces. For the purposes of our discussion we should understand the three Western Provinces are now on the same basis, the terms in respect to one are the same as those in respect to the others, because in 1912 the matter was adjusted equitably taking all the facts into consideration.

THE DOMINION LANDS ACT

In 1872 the Dominion Lands Act was passed, the purpose of which was to make provision for the administration and management of all these lands that had come into the possession of the Federal Government. Under the heading of "Educational Endowment," this Act recites:

"And whereas it is expedient to make provision in aid of education in Manitoba and the North-West Territories, therefore sections eleven and twenty-nine in each and every surveyed township throughout the extent of the Dominion Lands, shall be and are hereby set apart as and endowment for purposes of education."

A later amendment to this Act further states:

"All moneys, from time to time realized from the sale of school lands shall be invested in securities of Canada, to form a school fund, and the interest arising therefrom, after deducting the cost of management, shall be paid annually to the Government of the Province or Territory within which such lands are situated, toward the support of public schools therein; and the moneys so paid shall be distributed for that purpose by such Government in such manner as it deems expedient."

To that extent we copied the original ordinance of the United States in setting aside lands for public schools, but there we stop practically.

The next important thing which occurred was the organization of Alberta and Saskatchewan in 1905. In the original terms of Confederation, and this point has a vital bearing on the issue, certain conditions were set forth with respect to lands, which were not set forth or were changed in respect to lands in the Western Provinces. In connection with the six original Provinces, the lands and minerals having already been in possession of the colonies, were left in their possession. In these Western Provinces, however, the ownership and administration of the lands, minerals, etc., were reserved by the Federal Government, and so the question arose as to what would be granted to these Provinces. As you are aware, they came under the provision of the Dominion Lands Act in respect to school lands. "But,"

they said, "we have not our lands. It is true we have our school lands, but the other Provinces have their lands and minerals, and therefore we should get some other thing in addition to the provision made for schools." On the surface, that seemed to be reasonable, and the result was that Acts were framed granting a special subsidy in lieu of lands, the Section referring to which reads as follows:

"Inasmuch as the said Province will not have the public land as a source of revenue, there shall be paid by Canada to the Province by half-yearly payments in advance, an annual sum based upon the population of the Province as from time to time ascertained by the quinquennial census thereof as follows: The population of the said Province being assumed to be at present 250,000 the sum payable until such population reaches 400,000 shall be \$375,000; Thereafter until such population reaches 800,000 the sum payable shall be \$562,500; Thereafter until such population reaches 1,200,000, the sum payable shall be \$750,000; and thereafter the sum payable shall be \$1,125,000."

COMPENSATION FOR SCHOOL LANDS

Having set forth the historical facts which bear on the question, I now come to the first section of the Resolution, that is, compensation for school lands. The first point to be determined is what this amounts to, how it affects the other Provinces in relation to the Maritime Provinces, and what form of settlement might be effected which would be just and fair. In order that the information given might be correct beyond a doubt, I had certain questions asked of the Federal Government, and under date of March 26th, 1919, Order Paper 17412, these questions were answered. This gives us absolutely authentic information on the amount and value of these lands. The questions are not set forth here in the order in which they were answered, but in the order which places them in more logical sequence.

"1. How many acres of land have been set aside by the Federal Government for school purposes in each of the Provinces of Canada ?

A. (Including unsurveyed territory.)

Manitoba, approximately.....	7,993,600 acres
Saskatchewan, approximately....	8,421,000 "
Alberta, approximately.....	7,798,600 "

Total.....24,213,200 "

"2. What were the conditions under which the land was set aside? A. Under the provisions of Chapter 23, Sec. 22, of the Dominion Lands Act of 1872, which reads:

"And whereas, it is expedient to make provision in aid of education in Manitoba and the North-West Territories, therefore sections eleven and twenty-nine in each and every surveyed township throughout the extent of the Dominion Lands shall be and are hereby set apart as an endowment for the purposes of education.

(1) The Sections so dedicated shall be thereafter dealt with in such manner as may be prescribed by law, and the same are hereby withdrawn from the operation of the clauses in this Act relating to purchase by private entry, and to homestead right, and it is declared that no such right of purchase by private entry or homestead right shall be recognized in connection with the said Sections or any part or parts thereof:

(2) Provided, that a township being surveyed, should such sections or either of them or any part of either, be found to have been settled on and improved, then and in such case the occupant or occupants, conforming to the requirements of this Act shall be confirmed in such possession, and the Secretary of State shall select a quantity equal to that found to have been so settled on from the unclaimed lands in such township and shall withdraw the land so selected from sale and settlement, and shall set apart and publish the same as school lands by notice in the Canada Gazette."

The Act has been amended from time to time to meet existing conditions, and these lands are now administered as provided for in Sec. 39, 40, 41 and 42 of the Act as amended in 1918.

"3. What amount has been paid by the Federal Government to each of the Provinces to date on account of school lands?

A. To March 31st, 1918:—

Manitoba.....	\$2,576,568.52
Saskatchewan.....	2,397,978.45
Alberta.....	2,108,440.35

Total.....\$7,082,987.32"

In the answer to this question, I wish to call your attention to the fact that only the interest on the capital derived from the sale of the land is paid to the Provinces; the principal is funded with the Federal Government and earns 5% in exactly the same way as the credit for debt allowance which was made to the Provinces under the British North America Act. The total amount paid as interest on the capital or funded sums amounts in these three Provinces to \$7,082,987.32. That is the amount that has been paid in cash.

"4. What is the amount to the credit of each Province on account of school lands with the Federal Government?

A. To March 1st, 1919:

Manitoba.....	\$4,786,982.40
Saskatchewan.....	7,478,298.49
Alberta.....	4,732,052.72

Total.....\$16,997,333.61"

In other words, there was at that date to the credit of these Provinces for school purposes, nearly seventeen million dollars upon which the Federal Government was paying to the Provinces interest at the rate of 5%.

"5. What is the average amount received per acre in each Province on account of school lands:—

A. Manitoba.....	\$ 9.72 per acre
Saskatchewan.....	17.92 "
Alberta.....	13.54 "

"6. What is the approximate value of the school lands unsold in each Province?

A. Including the unsurveyed territory, and estimated at	
Manitoba.....	\$ 7.00 per acre
Saskatchewan.....	10.00 "
Alberta.....	9.00 "

which is considered a fair valuation, the approximate value of unsold school lands in each Province is as follows:

Manitoba.....	\$49,778,000.00
Saskatchewan.....	69,672,000.00
Alberta.....	55,408,000.00"

This last question was asked with a view to determining the future payments which would be made on account of these lands so as to get a summary of the whole value of the school lands held for these Provinces. You will observe that the estimate for the territory not sold is at a much lower rate than the actual average sale of the lands that have already been sold. In statements issued by the governments of the Western Provinces the amounts included in their assets as school lands, are very much greater than the figures supplied by the Federal Government, so I am assuming that these statements are on a conservative basis, and the amount of money which will be paid to the Provinces by the Federal Government as the lands are sold will be at least equal to the figures quoted.

To summarize the foregoing figures:

Manitoba received 7,993,600 acres.

Amount paid by the Federal Government..	\$ 2,576,568.52
Amount credited by Federal Government..	4,786,982.40
Value of lands unsold at \$7.00.....	49,778,000.00

Total.....	\$57,141,550.92
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Saskatchewan received 8,421,000 acres.

Amount paid by Federal Government.....	\$ 2,397,978.45
Amount credited by Federal Government..	7,478,298.40
Value of lands unsold at \$10.00.....	69,672,000.00

Total.....	\$79,548,276.85
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Alberta received 7,798,600 acres.

Amount paid by the Federal Government..	\$ 2,108,440.38
Amount credited by Federal Government..	4,732,052.72
Value of unsold lands at \$9.00.....	55,408,000.00

Total.....	\$62,248,493.10
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The totals for the three Provinces are:

Total acreage 24,213,200 acres.

Amount paid to March 31, 1918.....\$ 7,082,987.35

Amount credited to Provinces..... 16,997,333.52

Total Value of unsold lands..... 174,858,000.00

Grand Total.....\$198,938,320.17

Of course, there might be deducted from that amount the interest I have included, which amounts to between eight and nine million dollars, but that leaves over \$190,000,000, and at 5% this will yield to those Provinces, increasing as the years go by almost \$10,000,000 for their common schools.

Whatever prompted the arrangement in the first instance, and whatever led to a lack of consideration for the other Provinces or other parts of the country, it will be seen on the face of it that as Nova Scotia had no Crown Lands of any great value,—because the total net returns from Crown Lands from Confederation to the present time have been little more than enough to pay our school grant to the teachers of the Province for one year—so far as being on any kind of equality with the Western Provinces, assuming they will get their lands, we are not and we cannot possibly be in a position to compete with them. If they have a fund of \$10,000,000 for common schools, while we have no fund, what is there to prevent the West from establishing a system of schools which will so out-distance these Provinces that a large portion of our population will be attracted and induced to leave these Provinces and go to the country where such abundance prevails. Take the question of teachers' salaries alone, how is it possible for the Maritime Provinces to compete with a condition in education such as will be brought about by the development of the school land funds. I call your particular attention to this point, and I wish with your permission to suggest one or two methods of settlement.

METHODS OF SETTLEMENT

What should be done, taking into account the conditions even assuming we were following the United States in its method?

The United States did not stop by granting lands only to those territories in which the lands were situated. They carried out the principle of securing a comprehensive educational system, and they used the public domain in a general way for that purpose. As I have said, under the Morrill Act they specifically provided for scientific education. We could do exactly the same thing, I presume, were it not for the fact that such a long time has gone by and a large portion of these lands are now unavailable, but there might be sufficient lands available out of which grants might be made to the various Provinces of certain sections of the ungranted territory. Portions of ungranted lands might be set aside for the Provinces, which cannot supply, out of their income derived from lands, means for the proper education of their people. But I do not think that is the best way, although it is a reasonable way, and could perhaps be followed with success, as in the United States. I think the better method would be to adopt the principle adopted at Confederation in respect to equalizing the debts of the various Provinces. Under this principle, the Maritime Provinces, having received no extension of their boundaries, should be credited with an amount equal to the cash already paid and the amount now standing at the credit of the Western Provinces with the Federal Government, the interest on this amount to be applied to the schools of the Maritime Provinces in the same way as the interest on the amount to the credit of the Western Provinces is applied. In addition to this, a contingent credit should be given to the Maritime Provinces in the same proportion as credits accrue to the Western Provinces from the future sale of lands.

Taking the census of 1911 as a basis, the following table shows the percentage of the population, the amount paid and credited to the Western Provinces, and the lands remaining unsold to March, 1919:

	<i>% of Population</i>	<i>Total Paid and Credited</i>	<i>Value of Unsold Lands</i>
Manitoba.....	6.3%	\$7,363,550.92	\$49,778,000.00
Saskatchewan..	6.8%	9,876,276.85	69,672,000.00
Alberta.....	5.2%	6,840,493.10	55,408,000.00
	<hr/> 18.3%	<hr/> \$24,080,320.87	<hr/> \$174,858,000.00

From this it will be seen that 18.3% of the population of Canada has been paid or credited with over \$24,000,000, and have over \$174,000,000 of lands yet unsold. Applying the same principle, the Maritime Provinces should receive the following actual and contingent credits:

	<i>% of Population</i>	<i>Actual Credits</i>	<i>Contingent Credits</i>
Nova Scotia....	6.8%	\$8,917,878.80	\$65,004,557.40
New Brunswick.	4.9%	6,447,736.20	46,819,901.65
P.E.I.....	1.3%	1,710,623.90	12,421,606.55
	<hr/>	<hr/>	<hr/>
13. %		\$17,076,238.90	\$124,246,065.60

The actual cash available, therefore, as interest on the amount that should be placed to the credit of the various Provinces would be as follows:

	<i>Amt. at the Credit of the Provinces</i>	<i>Annual Interest at 5%</i>
Nova Scotia.....	\$ 8,917,878.80	\$445,893.90
New Brunswick.....	6,447,736.20	322,386.80
Prince Edward Island.....	1,710,623.90	85,531.90
	<hr/>	<hr/>
	\$17,076,238.90	\$853,811.60

These amounts would increase in proper proportion as credits would accrue to the Maritime Provinces on the basis already indicated. As only the interest upon the equivalent credits would be paid to the Maritime Provinces, the drain upon the Federal Treasury would not be immediately great, and as the war obligations will gradually be liquidated and these payments would only gradually increase, a settlement upon this basis would involve no unusual drain upon the resources of the Dominion, and would meet both the needs and the justice of the case.

MR. RALSTON. Does the scheme which the hon. member suggests simply involve the adding of the three more Provinces to the sharing in the proceeds of the Dominion Lands, is that the essence?

MR. TORY. The essence of my argument is that I am talking of the Maritime Provinces and have dealt only with those, but I am not going to say that British Columbia should not also

participate. I am leaving British Columbia to look after itself, for the reason that that Province, as you know, has a tremendous area. Although she was not originally a partner to the Confederation, she has contributed to the purchase of the land and its administration costs. I am leaving Ontario and Quebec out for the moment. They have received tremendous grants of land to which I will refer in a few minutes after dealing with the question of subsidy, and that will involve another discussion of the interests of these two Provinces, who have had added to their boundaries over 440,000,000 acres since Confederation.

MR. RALSTON. The hon. member gave certain figures and says the Maritime Provinces have 13% of the population.

MR. TORY. I am taking the whole population of Canada.

MR. RALSTON. And therefore the available Dominion Lands as divisible among the whole population of Canada?

MR. TORY: Yes.

MR. RALSTON. In that case my hon. friend is not talking for the Maritime Provinces alone, but will allow the same to the others—

MR. TORY. Except that I am not at present making an argument for the others.

SUBSIDY IN LIEU OF LANDS

I now come to the next section of the Resolution, subsidy in lieu of lands. I need not read the terms again under which this subsidy was granted. As I intimated before, when these Provinces were formed, they were not granted the land, so they said we must have something in lieu of the land. The Federal Government—and I note for your information that this was a Liberal Government and therefore all the blame does not fall upon the Conservative Government, although they had not admitted the principle in connection with Manitoba—when they came to consider the question in connection with Alberta and Saskatchewan, granted them in lieu of lands an additional subsidy based on population, which as I have already stated, ran from 250,000 population with a grant of \$375,000 yearly, to 1,200,000 population with a grant of \$1,125,000 yearly. These

Provinces, the population being between 400,000 and 800,000, receive a grant of \$562,500 each. They are all on the same basis, but Manitoba is only receiving \$409,000, because there are certain deductions from her subsidy in view of certain payments made before the 1912 settlement. Up to 1918, there had already been paid in cash to these Provinces, the following amounts:

Manitoba	\$7,549,123.96
Saskatchewan	6,187,500.00
Alberta	5,718,750.00

Total \$19,455,373.96

and adding the subsidy for 1919, which has since been paid and which amounts to \$1,534,000 additional, they have been paid in lieu of lands over twenty million dollars in cash.

It is now necessary to enquire from what source the money came to pay these amounts. It is true the Federal Government retained control of these lands, and it would naturally be assumed that monies paid as compensation in lieu of lands would have been paid out of the sale of lands which were to be administered by the Federal Government. The fact is, a statement furnished by the Deputy Minister of the Interior, bringing the data up to September 30th, 1918, shows:

Total amount expended on Dominion Lands . .	\$86,441,807.60
Total gross revenue from Dominion Lands . .	46,914,171.71

Net loss \$39,527,635.89

Including the net loss for 1919, the total loss would be over forty million dollars.

The summary of the facts is as follows: We purchased the land at a cost of about \$1,500,000.00; it has been administered at a loss of over \$40,000,000.00; and we have paid as subsidy in lieu of lands, \$20,989,381.14, or in connection with these very lands for which we are paying a subsidy to the other provinces for the right of administration by the Federal Government we have paid out approximately \$62,489,381.14. This money was of course derived from the people of the various provinces roughly in proportion to their population, including Nova Scotia,

New Brunswick and Prince Edward Island, and for which these Provinces have received absolutely no compensation.

Leaving aside the original purchase price of the land, and also the large amounts expended in the administration of same, and taking into account only the subsidy now being paid to the three Western Provinces in lieu of lands, the equivalent annual subsidy for the Maritime Provinces on the basis of population would be as follows:

Nova Scotia.....	\$562,500.00
New Brunswick.....	375,000.00
Prince Edward Island.....	150,000.00

This would increase with the increase in population according to the following table, which forms the basis of increase for the Western provinces:

<i>Population</i>	<i>Subject</i>
250,000 to 400,000	\$375,000.00 yearly
400,000 to 800,000	562,500.00 "
800,000 to 1,200,000	750,000.00 "
1,200,000 and upwards	1,125,000.00 "

That is, paying the Maritime Provinces on the same basis as the other Provinces, assuming they were entitled to and were granted the same terms. This subsidy would increase as the population increases according to the table given. British Columbia should also have consideration. Quebec and Ontario, however, should be considered in the light of the tremendous land grants which have been given them, and which I shall deal with later. That is the claim and basis of settlement I would suggest. There can be absolutely no doubt that if we paid these Western Provinces large sums of money purporting to be in lieu of their not having something which was of value, and so far as the revenue is concerned they were of absolutely no value under present conditions, we are taking the money out of our small resources and paying it over to the other provinces that have money, and we are getting nothing. In my judgment it is an iniquitous proceeding, and there surely cannot be any justification by any principle of justice, common sense or reason, by which this condition should continue, and if some redress

cannot be given under such circumstances, if such injustice can be perpetuated, a situation is being created that will not make for the peace and happiness of Canada.

COMPENSATIONS FOR EXTENSION OF BOUNDARIES OF ONTARIO AND QUEBEC

We now come to the third question, and that is the compensation in lieu of the extension of boundaries to Quebec and Ontario. This is a much more difficult matter to deal with. As I said before, Ontario and Quebec were two of the four original parties to Confederation. The original area of Quebec was 123,875,200 acres, and that of Ontario, 144,961,636 acres. Later on, in 1898, the people of Quebec apparently began to flow over the high land which formed the Northern boundary of that Province, and the Dominion Government, apparently with the assent of the provinces,—I have not looked up the matter to see if any protest was made—granted to Quebec in 1898, 101,323,361 acres; and in 1912, that Province was handed over another 227,375,000 acres, or an additional amount practically equivalent to the total area of British Columbia, so that she came into possession of a territory amounting to 452,573,561 acres of land, or about one-fifth of the whole of Canada. That is, Quebec received 328,698,361 acres of land as a free gift, and the question arises, shall she get more by way of subsidy or school lands, or be called upon to pay something to the other Provinces. That is the most difficult part of the problem. Ontario is in a like situation. Her original area was 144,961,636 acres. In 1888, she was given an extension, called the Manitoba Extension, of 22,000,000 acres, and in 1912, she was granted 93,696,000 acres, so that she now has 115,696,000 acres more than she had at Confederation, or a total area of 260,657,636 acres. The same principle applies to Ontario as to Quebec. These lands were all purchased by the four original Provinces, and these Provinces paid their money the same as the others, but these two great Provinces have received all this tremendous territory, over 444,000,000 acres, from the Dominion of Canada, for which they paid nothing more than

we did in proportion to their population, and the Maritime Provinces get nothing in the way of land grant extension, subsidies, or any other consideration, except the privilege of continuing to pay.

I admit that to determine the value of these lands granted to Ontario and Quebec is difficult. In dealing with the western lands, it is easy to determine their value, because we have the average sales as shown by the Federal Government, but in the case of Ontario and Quebec, these lands passed immediately under local administration, and you cannot ask Quebec or Ontario to tell you what these lands are worth, but in view of the tremendous increase in land values, and the tremendous development in minerals in Northern Ontario and other sections of that Province, these lands have added great material wealth to those Provinces in the soil, the forest, and the possibility of population coming to them. This is a most crucial point because it gives them a weight of influence and control in the affairs of the Dominion, which pushes us aside, diminishes our ratio of population, and consequently, our representation. If this continues we will finally reach a state of insignificance serious to be contemplated, all growing out of the fact that being small, we are not able to withstand the pressure brought against us in Federal affairs. The testimony of history is that the strong invariably oppress the weak. Our only hope is, and it is a small one, that some organization in the form of a league of the Maritime Provinces may be formed, so that we may present with a solid front the claims which we have against the Federal Government. If we continue—and I say it advisedly—if we continue to play a simple game of party politics in the Maritime Provinces, while we are quarrelling over the shadow, the substance will be gone. Solidarity of thought and action must be exercised, or the Maritime Provinces will be virtually wiped off the map, viewing the matter by the way things are done at Ottawa.

What settlement can be effected? I have already admitted that in this case it is a most difficult matter to determine. What interest have we in these lands? That also is difficult to answer, because the value of those lands to the North are not deter-

mined and the area is tremendous. In connection with the Western school lands, we have a reasonable and accurate criterion of the value of the lands by the sale price, as they were practically all lands suitable for agricultural purposes. But in connection with the lands granted to Ontario and Quebec, there is no such criterion. The wealth of these territories is yet to a great extent to be determined. That they are rich in minerals and have great forest wealth is undoubted. As we have no access to the records of the sales of these lands, the only criterion available for the moment is that set forth in Section 100, Dominion Lands Act, which prohibits the sale of the land at a price less than \$1.00 per acre. The value of these lands at that price would be \$444,394,361.00, and if this were distributed among the six Provinces in proportion to the population of the last census, the proportion for each of the Provinces would be as follows:

	<i>% of Population of the six Provinces</i>	
Ontario.....	43.0%	\$191,089,575.23
Quebec.....	34.1%	151,538,477.11
Nova Scotia.....	8.5%	37,773,520.68
British Columbia.....	6.7%	29,774,422.18
New Brunswick.....	6.0%	26,663,661.67
Prince Edward Island .	1.7%	7,554,704.13
		<hr/>
		\$444,394,361.00

The hon. member for Cumberland (Mr. Ralston) will note that I change the method of calculation here, because in dealing with the six Provinces that have an interest in these lands, I have taken the population of those Provinces only, instead of taking the population of Canada as a whole.

It will be seen that the land received by Ontario is 75,393,575 acres less than would belong to that Province on the basis of distribution set forth, while the lands received by Quebec were 177,159,884 acres in excess of her proportion. All the other Provinces are short the total amount in each case. Two methods of settlement might be adopted:

(a) Scrip or cash might be granted to these Provinces that have received no lands for the proportion due them; or

(b) Part of these grants of land might be allowed to Quebec and Ontario as their compensation for school lands and subsidy in lieu of lands, while the Maritime Provinces would be compensated for school lands and receive the additional subsidy.

COMPENSATION FOR UNFULFILLED OBLIGATIONS

I come now to the last point, namely compensation for unfulfilled obligations, and before proceeding further, I would like to call your attention to one or two things. In the first place, when Confederation was brought about, the functions of Government were distributed between the Provinces and the Federal Government, certain important functions being handed over to the Provinces to be dealt with, and certain others to the Federal Government. We had to deal with such matters as education—that most important function—and in view of the enlarging of our educational programme, we cannot say what the cost of that service will be in future. I am safe in saying that in 1866 nobody contemplated the possibility of the extension of the educational systems throughout the various Provinces of Canada, such as are in contemplation today. We had also to deal with transportation, and especially highways, and the money involved in the proper carrying out of that service is an enormous amount, as is shown by the programme for Nova Scotia which has been placed before this House by the Minister of Highways, a programme which, in order to meet the present needs of the Province, will require an expenditure never dreamed of at the time of Confederation.

And then take the question of Public Health. We in Nova Scotia are only beginning to deal with that question in a comprehensive way. If you talk for a few minutes with Dr. Hattie, our Provincial Health Officer, you will get an idea of the needs of this Province, the cost of which when related to our Provincial income, is most distressing and discouraging. The same might be said of other services, such as hospitals, and other relief institutions, civil government, agriculture, water transportation, immigration, etc., etc.

The functions of the Federal Government were also important, and especially that of defence, but as defence has been so far practically carried on on Capital Account, it need not be taken into consideration for the moment in the statement I propose to make in respect to revenue and taxation. From 1867 to 1918, the amount of money received by the Federal Government on Consolidated Revenue Account was \$3,143,586,544, and taking the population of Nova Scotia as it related to the whole population at the various census enumerations, the proportionate amount contributed by Nova Scotia would be \$240,412,961. The approximate proportionate amount from New Brunswick would be \$176,750,000, and from Prince Edward Island, \$46,000,000, making a total contributed by the Maritime Provinces toward the Federal revenues of \$463,162,961.

During that same period, the total revenue of the Province of Nova Scotia has been \$52,786,865. I have not before me the income of the other two Maritime Provinces, but I presume it would be relatively in proportion to that of Nova Scotia. During that period, Nova Scotia received from the Dominion Government by way of subsidy \$24,527,711, which formed part of the revenue of Nova Scotia already referred to.

Now what I wish to emphasize is this: The Maritime Provinces have had to carry on or administer the functions assigned them with a revenue out of all proportion to that received from these Provinces by the Federal Government by way of taxation.

MR. ARMSTRONG: On what basis do you come to the conclusion that we have paid that much?

MR. TORY: On the basis of population.

MR. ARMSTRONG: The accounts are not kept as between Province and Province.

MR. TORY: I get at it in the only practical way it can be got at, and that is by taking the population and dividing the taxation pro rata. The figures would of course vary if a greater quantity of imported commodities were used in one Province than in another Province, or if the commodities used in any one Province were taxed heavier than those used in another Province. In an address presented to the Governor General of Canada on the subject of better terms, passed by the members of the Legislative

Council and the House of Assembly of Nova Scotia in 1884, it was claimed:

"That a notable inequality exists in the customs duties collected in Nova Scotia, as compared with the customs duties collected in Ontario and Quebec. That Nova Scotia paid in 1882 on her importations of \$6,889,508.00 of dutiable goods, \$197,728.00 more than the two Provinces of Canada (Ontario and Quebec) did on the same amount of these dutiable goods in that year, and has also paid on her importations of \$6,550,887.00 of dutiable goods in 1883, \$213,000.00 more than the above two Provinces paid on the same amount of their importations of dutiable goods for the same year."

The figures, of course, can only be an approximation, but it is an approximation of great value.

MR. ARMSTRONG: If the same percentage were carried out in the other Provinces, how would that compare?

MR. TORY: In proportion as one Province paid more than it should have paid, some other Province must necessarily have paid less.

So much with respect to taxation. Now if you will turn for a moment to the question of expenditure on Consolidated Fund, or Revenue Account, by the Federal Government, you will find that the expenditure on this account between 1867 and 1918 amounted to \$4,354,364,741. After deducting from this the amount of the expenditure on account of the War, there remains \$3,477,100,893, of expenditure on ordinary services. The amount due the Maritime Provinces on the basis of population would be approximately as follows:

Nova Scotia.....	\$279,930,187.00
New Brunswick.....	205,600,000.00
Prince Edward Island.....	53,600,000.00
Total.....	<hr/> \$539,030,187.00

The total expenditure on revenue account for Nova Scotia during the same period was \$53,656,514.53, and while I have not the figures for the other Maritime Provinces, they would no doubt be relatively on the same basis. The disparity between

the expenditures of the Federal Government and the services performed is so great as to lead us to the conclusion that either the money went to the other Provinces, or the administration was characterised by the most flagrant waste and extravagance.

As I said before, under the British North America Act, certain functions were assigned to the Federal Government, and I wish to touch on four, namely (1) Transportation, (2) Agriculture (joint), (3) Immigration (joint) and (4) Fisheries.

1. Transportation

One of the fundamental terms of Confederation was that the Intercolonial Railways was to be built as part of the agreement, first in order to unite the Provinces, and second, for military purposes so that facilities might be had for moving troops and war material to the interior from the coast, and vice versa. The late war has demonstrated the wisdom of this point of view. It was not understood, as I read the history of the matter, that the road was intended to be regarded as a charge against the Maritime Provinces, or that it should be run on a strictly commercial basis, and for years after Confederation that view was followed. I understand, however, from representatives of the Canadian Manufacturers Association, that the tendency for the moment is to treat the road as a purely commercial proposition, leaving out of consideration the original conception in relation thereto.

But there is another aspect of the matter which has been of greater importance to the Maritime Provinces, and from this standpoint the road may be said to have been a detriment rather than an advantage. The aspect to which I refer is that when the road was built as a trunk line the obligation of the Federal Government in respect thereto ceased. But the building of a trunk line and stopping when that is accomplished precludes in many instances the possibility of the development of any comprehensive and rational system of transportation, because the building of a trunk line may preclude the possibility of securing the construction of branch lines because of the separate ownership of the trunk line.

Many branches should have been built in New Brunswick and Nova Scotia. Take as an example that country between here and Louisburg; that shore is not touched by a railway at a single point except at Mulgrave and we have been blocked in the matter of railway extension because the Federal Government conceived that they had carried out the terms of Confederation with the building of the trunk line, and that their obligations in the matter of transportation were fulfilled, so far as the Maritime Provinces were concerned. In the House of Commons there is ever recurring talk about expenditure on the Intercolonial Railway, but very seldom is anything said about the \$100,000,000 which has been spent on the canals of Ontario, which canals as a means of transportation, I understand, are absolutely free.

In order that the position of the Maritime Provinces in relation to Federal Government railway obligations in Canada may be understood, I wish to put on record the following facts:

Exclusive of the construction of the Intercolonial Railway, which was built as part of the terms of Confederation, the following is a summarised statement, showing the Dominion aid that has been given in each of the Provinces of the Dominion by way of railway subsidies, which includes the construction of the National Transcontinental Railway, the purchase of the Canadian Northern Railway, the assumption of the liabilities of the Grand Trunk Pacific, and aid to the Canadian Pacific, but does not include the purchase of the Grand Trunk Railway which is now being consummated.:

Ontario.....	\$288,279,669.00
Quebec.....	158,756,458.00
British Columbia.....	167,260,771.00
Manitoba.....	138,404,876.00
Alberta.....	123,649,462.00
Saskatchewan.....	163,165,316.00
Nova Scotia.....	21,130,717.00
New Brunswick.....	28,604,772.00
Prince Edward Island.....	8,336,389.00

\$1,097,588,430.00

If this amount had been fairly divided among the various Provinces, the amount due the Maritime Provinces for such undertakings, on the basis of present population, would have been as follows:

Nova Scotia.....	6.8%	\$ 74,976,013.00
New Brunswick.....	4.9%	54,026,833.00
Prince Edward Island.....	1.3%	14,333,649.00
		<hr/>
		\$143,336,495.00

The method of taking the present population is not fair to the Maritime Provinces, as the population has been relatively higher in past years.

The above figures do not include \$20,794,445.00 spent on the Hudson Bay Railway, nor the deficits now being caused by Government operation of railways.

The total railway expenditure for the Western Provinces, including British Columbia, is \$597,480,425.00 while the amount due them on the basis of their 1911 population is \$263,424,504.00. They have, therefore, received \$334,055,921.00 in excess of the amount to which they would be entitled on the basis of population. I am not saying that these Provinces should not be treated fairly, but it should be taken into consideration that we, in the Maritime Provinces, have paid heavily, at least in credit if not in money for the development of railways in the past, and have received little in return.

2. Agriculture

The next question, that of Agriculture, is one involving joint expenditures. Agriculture is a joint expenditure between the Provinces and the Dominion, and yet until within recent years practically the whole burden of agricultural development in the Maritime Provinces was left to the Provinces with their small revenues. It is true that in recent years an appropriation has been made which has been of great service, and to the extent that it has carried out the purpose of the contract between the Province

and the Dominion, I have nothing to say, but I do say that in proportion to her revenue, the effort put forth by the Province of Nova Scotia in the development of scientific agriculture has been altogether out of proportion to the amount spent by the Federal Government for the same service in this Province, which expenditure is absolutely essential when you are dealing with a country that has small individual ownership of land. There must be some other method of development than that which is left to individual initiative and cost. When you take into account what Nova Scotia has done in connection with agriculture in the last fifteen or twenty years as compared with what all the previous Federal Governments had done—as up until a few years ago practically all we had was a small experimental farm at Nappan—what comparison is there in the effort put forth?

3. Immigration

Immigration is a joint expenditure also, and there has been expended by the Federal Government since 1900 over \$20,000,000 on this service, and from 1900 to 1918 there was brought into the country 3,253,796 people; but out of this number all that were assigned to the three Maritime Provinces were 154,052 people. Almost the whole course of immigration, so far as Canada is concerned, has been attracted west of the Maritime Provinces, and we have had to pay, and pay, and pay for the services for which we got practically nothing.

4. Fisheries

I come now to the last of the four functions mentioned as coming under the administration of the Federal Government, and so far as the Maritime Provinces are concerned, it is one of the most vital of the functions which came under the jurisdiction of that Government, and that is the administration of our Fisheries. The Province has nothing to do with this matter, it comes solely under the jurisdiction of the Federal Government. It is the duty, and in my humble judgment, an imperative obligation of the Federal Government to develop this industry. If it is necessary to spend millions of dollars in order to develop

the wheat fields of the West, surely some recognition should be given to this, the greatest industry of the Maritime Provinces. If you search the industrial history of Canada from Confederation to the present time, what do you find in respect to this great industry of the Maritime Provinces? You will find the most lackadaisical, inefficient, incomprehensive fishery programme that was ever formulated by any intelligent Government since the days of Noah. If there is a crying necessity today, it is for a Department of Fisheries, with somebody at its head who knows something about fisheries, and who will undertake the solution of the fishery problem of the Maritime Provinces. There is much to learn, much that science and co-ordinated intelligent effort can do, but nothing of an effective character has been done, and yet this is one of the functions undertaken by the Federal Government. I hope the time is not far distant when the fishermen will be awakened, and that those people who know something about the matter will bring to bear such influence on the Federal Government as to make them consider it necessary to have a Minister of Fisheries who knows something of the business.

CONCLUSIONS

Finally, I shall give a brief summary of my conclusions in respect to the whole matter.

1. Provided the adjustments between the Federal Government and the Maritime Provinces are made as I shall state in a moment:

(a) The natural resources of the three Western Provinces including lands and minerals, should be granted them in the same manner as granted to the Provinces at Confederation;

(b) The subsidy on the basis set forth in the several Acts purporting to be in lieu of lands should be continued to the Western Provinces, in view of the continually expanding cost of Provincial services.

2. In lieu of school lands, the Maritime Provinces should be credited by the Federal Government with an amount on a proportionate basis of population corresponding to that already

paid and credited to the three Western Provinces, which would be as follows:

Nova Scotia.....	\$8,917,878.80
New Brunswick.....	6,447,736.20
Prince Edward Island.....	1,710,623.90

The annual interest only on which should be paid to the Provinces to be used for school purposes—calculated at 5%.

3. As school lands are sold and amounts credited to the Western Provinces the credit for the Maritime Provinces with the Federal Government should be increased proportionately. This contingent credit on the basis of population and value of lands being approximately as follows:

Nova Scotia.....	\$65,004,557.40
New Brunswick.....	46,819,901.65
Prince Edward Island.....	12,421,606.55

4. As compensation for continuing the subsidy paid to the Western Provinces in lieu of lands, the Maritime Provinces should be granted an equivalent subsidy based upon population which according to the population of the last census, would be as follows:

Nova Scotia.....	\$562,500.00	yearly
New Brunswick.....	375,000.00	"
Prince Edward Island.....	150,000.00	"

This subsidy would increase with the increase in population according to the following table which is the basis set forth in the Alberta and Saskatchewan Acts of 1905, and the Manitoba Act of 1912:

<i>Population</i>	<i>Subsidy</i>
250,000 to 400,000	\$375,000.00 yearly
400,000 to 800,000	562,500.00 "
800,000 to 1,200,000	750,000.00 "
1,200,000 and upwards	1,125,000.00 "

5. The large grants of land to Ontario and Quebec respectively, namely,

Quebec.....	328,698,361 acres
Ontario.....	115,696,000 "

should be used to offset any claim of these Provinces for compensation in lieu of school land grants and in lieu of increased subsidy to the other Provinces. Or, scrip or cash might be granted to the Provinces that have received no lands for the proper proportion due them. Allowing part of these grants of land to Quebec and Ontario to stand would be compensation for the Maritime Provinces in a negative form by preventing an increase in the demands upon the Federal Treasury, which would have to be made up by general taxation upon the people of the various Provinces.

6. In settlement for part of the unfulfilled obligations to the Maritime Provinces, the Federal Government should assume responsibility for the construction of all branch lines feeding the Intercolonial Railway, thus carrying out the logical interpretation of the British North America Act in respect to transportation.

7. The Federal Government should at once create an efficient Department of Fisheries in the Maritime Provinces, and inaugurate a sane and progressive policy with regard to fisheries, looking toward:

- (a) Increased production of the fisheries.
- (b) Enlargement of Home and Foreign Markets.
- (c) Proper conservation of the fisheries.
- (d) Encouragement of the construction of a modern fishing fleet.

8. The Immigration policy of the Federal and Provincial Governments should be co-ordinated with a view to assisting more effectively immigration into the Maritime Provinces, so as to avoid the hopeless disparity between these Provinces and other parts of Canada, such as has characterised the past efforts of this Department.

9. An agricultural policy should be formulated which would have in view the development of agriculture throughout the whole of the Dominion on reasonably equal terms, avoiding concentration of effort in other Provinces as has been largely the case in the past.

10. Finally, the Federal Government should be forced to realize that the administration of Federal affairs should be according to the principle of a partnership arrangement; that the interests concerned are those of the whole people; that taxation should be equally distributed and services equally rendered, thus carrying out the spirit and intent of the Act of Confederation.

I have much pleasure in moving the Resolution which I read at the beginning of my remarks, and which I understand will be seconded by the hon. member for Antigonish, Mr. Chisholm.

ON PRESENTING THE PUBLIC ACCOUNTS

April 11th, 1922.

MR. SPEAKER:

On a previous day I gave notice that today I would move that the Public Accounts be referred to the Committee on Public Accounts. I now rise for the purpose of making the motion. Before doing so, however, I desire to make a few remarks in regard to some matters which have a bearing on public finance in general, and upon the finances of this Province in particular.

At the present time the world finds itself in a somewhat chaotic condition in many respects, with many great problems awaiting solution. Among these problems, and one of primary importance, is that of restoring throughout the world a normal or sane mental attitude. Much of the world has been, and still is, more or less mad. In 1914 certain pernicious theories of Germany culminated in a war madness which resulted in drenching Europe in blood, and at the same time upsetting the equilibrium of nations, industry and finance. In connection with this matter, I wish to point out to the hon. gentlemen present that behind Germany's action was the false theory of the Divine Right of the State, and behind that again, that ancient theory which had served so often the purpose of autocratic government, namely, the Divine Right of Kings.

The second great phase of this world madness broke out in Russia. Here again certain theorists got an opportunity to put their impractical theories into practice, with the result that terrible disaster has overtaken the country, the people are starving, and to almost every part of the earth has been sent out an appeal from men, women and little children crying for bread. Industry is paralysed, commerce upset, and finance is in chaos. So bad are conditions there that the very exponents of this communistic theory are now admitting the movement a failure.

This madness in another form extended to India, where they have become possessed of the theory of self-determination, and of non-co-operation, thereby obstructing the machinery of Government, industry and finance, and unless this movement is checked before it gets too much momentum, serious disaster is bound to follow.

In South Africa also this madness manifested itself, and has been declared by Premier Smuts to be an overflow from Russia, again apparently the working out of a pernicious and impractical theory.

All parts of the world have been affected by all these theories, but especially by the anti-capitalist theory, which under conditions as they exist today is perhaps the most impracticable and impossible theory of them all. I do not mean to enter into any argument in respect to these theories more than to say that they are pressing upon the life of the world, creating an abnormal psychology, leading to confusion and difficulty and preventing the recovery of a sick world. Therefore, as I view it, one of the greatest problems of the hour is to bring back a world-sanity, so that men may do justly, love mercy, and walk humbly before God. That is the doctrine that will save the world from its present chaos, rather than the impracticable doctrines to which I have referred.

Now as a corollary of the present mental condition of the world, we have serious reactions affecting commerce, industry and finance. As you are perfectly aware, with the war came destruction of life and property. With that destruction came the diminution of power to purchase; with the limiting of the power to purchase came the curtailment of the power to produce; with the curtailment of production came unemployment, and with unemployment came suffering and distress everywhere; all reactions from the mental states which preceded them. So that today, the second great problem of the world is to restore to a normal condition the industry and commerce of the world.

The third great problem is that of stabilizing world finance. The war, anti-capitalism, unusual national obligations, and other influences have created almost impossible financial conditions in Europe and made the administration of finance more difficult

everywhere. Fiat money, abnormal rates of exchange, and high rates of interest have been the order of the day in many countries. In respect to fiat money, one writer has said:

"There is no exaggeration in the statement that the printing press has caused more misery since the armistice than did the big guns before it, and if this condition is allowed to grow worse, as it will unless superhuman efforts are exerted, a better part of Europe will be found as prostrate as is Russia at this moment."

In Canada we have suffered considerably from some of these things, but little as compared with many other parts of the world.

I believe we are approaching a time when we will have to give more serious thought to many of these questions. They cannot be dealt with casually or from a purely political standpoint. They must be looked at from a business aspect as well as from a moral aspect.

As I have said, all these conditions affected Canada, though perhaps as little as any other part of the world. We have had some minor explosions, such as we had in Winnipeg, which looked more or less serious to the citizens of Winnipeg. We have had some ripples upon the smooth sea down in Cape Breton, not so serious, I think, that they cannot be settled by arbitration and moderation. We have had such manifestations, to some extent, all over Canada. However, I am happy to say that I think we have really passed our greatest financial perplexities. I have here an interesting statement which indicates that apart from unusual circumstances, there is a business cycle which is repeated periodically. This table was prepared by an expert, Mr. Roger Babson, of Boston, and I give it to you for your comfort.

The cycle, he tells us, is found to come in the following order:

1. PEAK OF PROSPERITY: Large profits and wages.
2. INEFFICIENCY: Declining bond prices.
3. DISHONESTY: Declining stock prices.
4. CRIME WAVE: Declining commodity prices.
5. LACK OF CONFIDENCE: General unemployment.
6. BREAKING UP OF HOMES: Declining real estate.
7. INCREASING THRIFT: Lower money rates.
8. GREATER EFFICIENCY: Increasing bond prices.
9. HONESTY—FAIR PRICES: Increasing stock prices.

10. RELIGIOUS INTEREST: Increasing commodity prices.
11. ACTIVITY IN ALL LINES: Labor fully employed.
12. PROSPERITY: Increasing money rates.

Mr. Babson further states: "At this time we are between 5 and 6. The thing to do is to hang on, adjust affairs accordingly and go up and down with the wheel of business. The idea that we can make business good by talking good business is like trying to run an automobile without gasoline. Our great trouble with business today is that it is trying to start up on higher gear.

The laboring man would rather go without work than take lower wages. The railroads would rather have hundreds of thousands of idle cars than reduce freight rates. The retailer would rather lose business than cut prices. The greatest need today is pull the automobile of business back into low gear, and start slowly."

I think that is a reasonably accurate statement of the situation as it applies to business today. It is hopeful in the sense that, if these cycles are periodical, we have practically passed the lowest point and are now on the up-grade.

FINANCE THE BASIS OF GOVERNMENT SERVICE

I now desire, Mr. Speaker, to direct the attention of the House to some matters more closely related to our own provincial problems. Now, in the first place let me say, financial resources, or financial ability forms the basis of all government service. We must get that clearly into our heads, whatever our ideas or theories may be. As the thing exists today, the basis of government service is the power of the government to pay its bills, or its financial ability. The government is not unlike a man. A man may have all the things his own income will purchase, but he cannot honestly have the things the other fellow's income will purchase. I think we are perhaps unfortunately placed in Nova Scotia in being so near one of the greatest and wealthiest countries of the world, because we are apt to think that we should have all the advantages that the great centres of the United States have. It is true, it would be nice if we could have all the things the rich people have, but the fact of the matter is that a man or a govern-

ment can only have the things that his income will purchase, or that he is financially able to obtain.

I want you to remember in your appeals to the Government that we must measure our power to do things by the wealth of our people, and that we must not gauge the wealth of our people by the wealth of other people. We cannot have more than we can pay for, and we should be content to have it so.

REVENUE THE BASIS OF FINANCIAL ABILITY

Now, just as financial ability is the basis of government service, revenue is the basis of financial ability. We get a notion that we can borrow money, or that we can get money somehow or other without it falling as a charge upon our revenue. It does not matter what form of expenditure we make, whether we limit ourselves to the ordinary current necessities or undertake the larger enterprises involving capital expenditure, the interest and principal ultimately fall upon revenue. These are fundamental facts which we should understand. I do not speak of these things because you do not know them, but simply for the purpose of bringing them again to your attention.

In order that we may get a better grip upon our financial resources, and so be in a better position to form proper judgment in respect to action that should be taken in matters of expenditure I desire to bring to your attention the constitutional basis of our sources of revenue. There are several clauses in the British North America Act specifically granting revenue producing powers. The first is Sections 116 and 118 of the B.N.A. Act and amendment in Section I of the Acts of 1907, which relate to subsidy. If you will turn to the Act of 1907, you will get a clear view with regard to the contribution toward government expenses which was referred to in this House the other day. There is no special fund set aside for the Legislative Council, it is set aside for the government of Nova Scotia. It is fixed according to population with an additional allowance of 80c. per head of the population up to 2,500,000, and 60c. per head thereafter. So that is one form of revenue which is fixed for periods of ten years. Second, under Section 109 of the B.N.A. Act, we have the

revenue from Mines, Minerals and Lands. Third, Section 92 of the same Act gives us powers of Direct Taxation. Fourth, under Section 95 of this Act, special grants are made by the Dominion Government for joint expenditure in Agriculture and Immigration. There are also several minor Acts by which grants are made to us in the form of special grants from the Dominion Government.

I propose, therefore, to group our revenue, giving you the figures covering the period from Confederation down to the present time, under the following headings:

1. Federal Subsidy Revenue.
2. Revenue from Property owned.
3. Revenue from Public Services.
4. Revenue from Taxation.
5. Revenue from Special Dominion Grants.

SOURCES OF REVENUE, 1867 TO 1921 (INCLUSIVE)

1. FEDERAL SUBSIDY:

(a) Allowance for Government .	\$26,721,179.000	41.5%
(b) Allowance for Population...		
(c) Debt Allowance.....		

2. REVENUE FROM PROPERTY OWNED:

(a) Mines.....	\$18,714,413.00	29.
(b) Crown Lands.....	1,476,087.00	2.3
(c) Interest.....	2,782,709.00	4.4
(d) Railways.	887,209.00	1.4
	<hr/>	<hr/>
	\$23,860,418.00	37.1%

3. REVENUE FROM TAXATION:

(a) Succession Duties.....	\$2,049,465.00	3.2
(b) Income Tax, Corporations..	1,413,682.00	2.2
(c) Municipal Road Tax.....	1,220,918.00	1.9
(d) Motor Vehicles.....	991,065.00	1.5
(e) Fees from Corporations, etc..	862,133.00	1.3
(f) Theatres, etc.....	642,867.00	1.
(g) Sundry Taxes.....	905,098.00	1.4

	<hr/>	<hr/>
	\$8,085,219.00	12.5

4. REVENUE FROM PUBLIC SERVICES:

(a) Public Relief, Hospitals, etc.	\$3,970,208.00	6.1
(b) Education.....	675,639.00	1.1
(c) Agriculture.....	210,588.00	.4
(d) Sundries.....	460,940.00	.6
	<hr/>	<hr/>
	\$5,317,375.00	8.2%

5. SINKING FUND, HIGHWAYS

ACCOUNT (1921).....	470,844.00	.7
	<hr/>	<hr/>

TOTAL REVENUE..... \$64,455,035.00 100.0%

The mines have afforded us the greatest source of increasing revenue among these more or less fixed revenues from which we do not expect a great increase, and while in the last five years the mines have fallen off in production, we hope they will again increase, and I think this is a reasonable expectation.

We are allowed only one form of taxation, namely Direct Taxation, and apart from the item of road tax in cities, towns and municipalities, that taxation has been levied upon the corporate wealth of the community and in some instances upon capital. I think we have declared a principle which has seldom been declared in connection with taxation on wealth in this country. Capital is brought into the arena of taxation in this Province and made to bear its share, so far as it is reasonable to expect it to do. It is unquestionably a fact that in the history of taxation the wealthy generally escape more than the ordinary citizens. As you will observe, we have collected from taxation only 12.5% of the total revenue of the Province since Confederation.

Now to come to the statement of accounts for 1921, we find a variation of these percentages. Last year the Federal Subsidy formed only 13.9% of our revenue. Revenue from property owned was 18.5%; Income Tax on Corporations, 11.8%; Municipal Road Tax, 9.6%; Tax on Motor Vehicles, 8.1%; Theatre Tax, 4%; Succession Duties, 3.2%; Fees from Corporations, 3.1%; Land Tax, 8%; Sundry Tax Items, 0.7%; Revenue from Public Services, 15.6%; Special Funds, Dominion Aid, 2%; Special Grants, Highways Account, 8.7%.

It may interest you to know how the Income Tax on Corporations, which in 1921 amounted to \$541,264.94, is made up. It is as follows:

Banks.....	\$ 65,949.90
Insurance Companies.....	161,735.91
Loan Companies.....	5,710.94
Trust Companies.....	8,857.92
Telegraph Companies.....	6,509.57
Telephone Companies.....	62,190.70
Gas and Electric Companies...	35,783.31
Electric Tramways.....	10,061.35
Express Companies.....	24,988.75
Railways.....	41,335.58
Taxation of Companies.....	3,485.59
Incorporated Companies.....	114,646.52
	<hr/>
	\$541,264.94

ESTIMATED REVENUE, 1922

You will observe from the Estimates that the estimated revenue for 1922 amounts to \$4,993,077.13, being an increase of \$768,778.05 over the revenue of 1921. The increases in the various groups are as follows:

	<i>Revenue 1921</i>	<i>Estimated Revenue 1922</i>	<i>Increase</i>
1. Federal Subsidy ...	\$ 636,666.86	\$ 675,356.06	\$ 38,689.20
2. Fr. Property Owned	852,425.46	964,495.00	112,069.54
3. Fr. Taxation.....	1,898,443.59	2,338,350.00	439,906.41
4. Fr. Public Services.	728,460.00	849,421.46	120,961.46
5. Sp. Funds, Dom. Aid	108,303.17	165,454.61	57,151.44

I do not think it is necessary to go through the Estimates any further in detail, because the figures are before you and will come up item by item. I just wish to give you a general view of the matter.

EXPENDITURE CURRENT ACCOUNT, 1867-1921 (INCLUSIVE)

I now come to the expenditure of the money received on our current account from 1867 to the present time, the total of which amounts to \$64,455,076. These expenditures are grouped under 26 different headings, of which 17 are what may be termed

"Expenditure Accounts", and the others are revenue accounts in connection with which some expenditure is made. These items with their corresponding percentages are as follows:

	<i>Gross Expenditure</i>	
1. Education	\$14,901,378.00	23.0%
2. Roads and Bridges.	11,021,612.00	16.8
3. Interest.	10,339,582.00	15.8
4. Public Relief Institutions.	9,231,436.00	14.1
5. Civil Government.	5,258,113.00	8.1
6. Steamers, Packets, etc.	2,430,716.00	3.5
7. Agriculture.	2,048,887.00	3.2
8. Miscellaneous.	1,864,493.00	2.7
9. Sinking Fund.	1,101,303.00	1.7
10. Sundries.	1,296,283.00	1.9
11. Misc. Public Works.	913,889.00	1.5
12. Public Printing.	747,645.00	1.1
13. Provincial Engineer's Office.	452,357.00	.7
14. Immigration.	439,015.00	.7
15. Criminal Prosecutions.	384,242.00	.6
16. Vital Statistics.	72,072.00	.2
17. Provincial Museum.	42,608.00	
<hr/>		
Total expended on "Expenditure Accounts"	\$62,545,631.00	95.6%
Expenditure on "Revenue Accounts":		
18. Mines.	\$1,332,487.00	2.
19. Crown Lands.	790,162.00	2.4%
20. Railways.	598,582.00	
21. Game Licenses.	57,497.00	
22. Succession Duties.	55,709.00	
23. Theatres.	37,399.00	
24. Subsidy Accounts.	36,046.00	
25. Marriage Licenses.	863.00	
26. Private Bills.	700.00	
<hr/>		
Total Expended on "Revenue Accounts"	\$2,909,445.00	4.4%
<hr/>		
TOTAL EXPENDITURE.	\$65,455,076.00	100.0%

It will be observed that the largest item of expenditure in this group is that for education, which amounted to \$14,901,378, or 23% of the total gross expenditure since Confederation.

EXPENDITURE, 1921

The corresponding figures for 1921, which do not, however, include certain special Dominion Aid grants, these being treated as extraordinary revenue by the Auditor, show an expenditure of \$4,654,031.59, and are as follows:

	<i>Gross Expenditure</i>	
1. Public Relief Institutions.....	\$953,066.95	20.0%
2. Roads and Bridges.....	928,711.26	19.9
3. Interest.....	861,564.40	18.6
4. Education.....	707,405.24	15.2
5. Sinking Funds.....	267,358.16	5.7
6. Civil Government.....	253,206.32	5.5
7. Agriculture.....	146,018.99	3.
8. Steamers, etc.....	93,732.61	2.1
9. Public Buildings.....	91,412.62	1.9
10. Immigration.....	56,647.08	1.3
11. Public Printing.....	51,005.01	1.2
12. Sundries.....	38,392.78	.9
13. Criminal Prosecutions.....	31,752.04	.8
14. Vital Statistics.....	11,236.48	.4
15. Provincial Museum.....	2,843.48	.1
<hr/>		
Total expended on "Expenditure Accounts".....	\$4,494,353.42	95.6%
Expenditure on "Revenue Accounts":		
16. Mines.....	\$58,266.76	
17. Miscellaneous.....	67,245.61	
18. Theatres.....	11,914.24	
19. Crown Lands.....	11,744.05	
20. Succession Duties.....	2,865.13	
21. Game Licenses.....	7,642.38	
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Total expended on "Revenue Accounts".....	\$159,678.17	3.4%
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TOTAL EXPENDITURE.....	\$4,654,031.59	100.0%

From these figures you will observe that the largest item of expenditure for 1921 was public relief institutions, which amounted to \$953,066.95. It should be noted, however, that from these institutions there is a considerable income. The items which are included in this amount for public relief are as follows:

	<i>Gross Expenditure</i>	<i>Revenue</i>	<i>NET Expenditure</i>
Nova Scotia Hospital.	\$306,686.56	\$148,724.49	\$157,962.07
Victoria General Hospital.	194,995.56	75,079.99	119,915.57
Provincial Sanatorium.	306,034.96	222,886.88	83,148.08
Local Hospitals.	39,850.75		39,850.75
Neglected Children.	34,843.16	1,162.80	33,680.36
Transient Poor.	21,764.27		21,764.27
Public Health.	35,102.40	15,177.20	19,925.20
Miners' Relief.	13,788.89		13,788.89
	<hr/>	<hr/>	<hr/>
	\$953,066.55	\$463,031.36	\$490,035.19

This shows a balance of \$490,035.19, which is the net contribution the Province of Nova Scotia is making to these beneficent institutions, and I think I am safe in saying that there is no Province in Canada where institutions of this kind have been dealt with more sympathetically and more effectively, and at a lower cost to the patients. I admit there is yet very much to be done in that direction. It is only a question of money.

Take for instance, the matter of Tuberculosis. I asked our Public Health Officer some time ago if he would prepare a programme for me, outlining what was necessary for the control of this disease, together with an estimate of the cost, so that in a given period of years we might be reasonably hopeful of its complete elimination. From the report which he gave me, I conclude that it would require about a million dollars for equipment, and an annual expenditure of between \$200,000 and \$300,000. I admit the estimate of initial cost given me by the doctor is somewhat lower than the figures I have quoted, but he concludes his estimate with this note:

"This estimate is based on a much more modest venture than is outlined under 'Measures advocated', which are to be considered rather as ideal than practical."

Until the people of the Province are prepared to pay the money to carry on that work, it cannot be done, but it is a great avenue for public effort. It is interesting to know that from 1871, when statistics in respect to Tuberculosis were first compiled, up to the present time, there has been a reduction in the death rate from Tuberculosis from 2.17 per 1,000, to 1.30 per 1,000, showing that with our limited equipment we are making considerable progress.

MR. CORNING: For how long a period of years would this expenditure be required?

HON. MR. TORY: Apparently indefinitely.

I do not think I need go into the details of expenditure any further, as the expenditures have been to the House like an open book. Every item of expenditure goes before the Committee on Supply and is dealt with there much more carefully than in some of our big business institutions.

PROVINCIAL OBLIGATIONS

I will now take up another phase of our financial history, namely that relating to capital expenditure involving provincial obligations, but before doing so I wish to make a few general remarks in regard to national obligations as they exist at the present time. There never has been a time in the history of the world when there has been outstanding such a tremendous amount of national obligations. For example, the obligations of seventeen of the principal nations of the world in 1913 were \$29,096,000,000, while in 1921 the obligations of these same nations amounted to \$277,608,000,000, or an increase of \$248,512,000,000, an amount which is absolutely incomprehensible to the average mind. Many of these nations are still adding to their obligations. I understand that Canada last year increased her indebtedness by over \$70,000,000, bringing her total obligations to over \$2,345,000,000.

The same conditions in a more or less modified form apply to all the Provinces of Canada. The increases in the gross debt of the Provinces of Canada from 1915 to 1921 were approximately as follows:

Ontario	\$150,304,054.00
Manitoba	41,447,451.00
Alberta	40,997,953.00
British Columbia	28,896,407.00
Saskatchewan	26,610,919.00
New Brunswick	19,549,585.00
Quebec	18,094,082.00
Nova Scotia	9,624,798.00

Of course, gross obligations are no criterion of the financial standing of a province, and I do not cite this with the view of establishing any inferiority in the final analysis in finance, but rather to illustrate the growing tendency to increase provincial obligations as well as national obligations.

LIABILITIES AND ASSETS

I have given the foregoing figures, as I have said, to indicate the trend of events in regard to national and provincial obligations and I now want to give you a statement of the obligations of the Province of Nova Scotia, combining the statement shown in Table C of the Public Accounts with those factors in its capital expenditure which represents Assets.

GROSS LIABILITIES:

Provincial Debentures and Stock:

Payable Halifax and New York.	\$10,328,500.00	
Payable London	10,349,766.66	
		<hr/>
		\$20,678,266.66
Balance Halifax Banks	277,898.19	
Loan, Can. Bank of Commerce ..	500,000.00	
Loan, Royal Bank of Canada ...	500,000.00	
		<hr/>
		1,277,898.19
Unexpended Funds:		
Dominion Aid to Agriculture ...	29,268.99	
Dominion Aid to Public Health	6,723.39	
Fire Prevention	15,611.49	
Nova Scotia Housing Act	495,067.50	
		<hr/>
		546,671.37

TOTAL GROSS LIABILITIES..... \$22,502,836.22

DEBENTURE AND CURRENT ACCOUNT ASSETS:

Provincial Debt Account.....	\$1,055,929.12
First Mortgage, H. & S. W. Railway.....	4,447,000.00

Sinking Fund Investments:

No. 2.....	\$214,868.63
No. 3.....	607,142.52
No. 4.....	208,898.95
No. 5.....	68,096.22
No. 6.....	145,184.00

1,244,190.32

Cash: Cash on Hand.....	\$1,506.73
Union Bank of England.....	1,138.56

2,645.29

Accounts Receivable:

Nova Scotia Hospital.....	74,663.80
Provincial Sanatorium.....	872.34
Victoria General Hospital....	12,640.00
Royalties.....	280,673.15
Department of Highways....	23,902.13
Power Comm. Interest.....	56,112.47

448,863.89

Cash Advances:

Public Utilities.....	3,000.00
Education Loan.....	5,000.00
Power Comm. Temp. Loan...	1,589,638.37

1,597,638.37

Inventory:

School Books.....	44,947.12
Road Machinery.....	450,000.00

494,947.12

Dominion Aid:

Highways.....	720,000.00
Technical Education.....	5,859.61

725,859.61

TOTAL DEBENTURE & CURRENT ASSETS..... \$10,017,073.72

PUBLIC PROPERTY ASSETS:

Capital Investments:

Railways..... \$1,540,583.74

Highways..... 5,707,251.22

Bridges, etc..... 4,901,828.49

\$12,149,663.45

Public Relief:

Victoria General Hospital.... 736,026.79

Nova Scotia Hospital..... 323,787.29

Department of Charities... 217,301.65

Provincial Sanatorium..... 136,839.33

Chap. 18, Acts 1918..... 80,002.25

School for Blind..... 30,000.00

School for Deaf... 10,000.00

Windsor Hospital. 14,000.00

1,547,957.31

Agriculture:

General Agriculture..... 215,620.65

Exhibition Commission..... 69,576.69

Farm Settlement..... 100,508.90

Horticultural Exp. Farm.... 11,000.00

396,706.24

Education:

Normal College..... 1,595.66

Technical College..... 299,767.60

301,363.26

Provincial Buildings.....

380,499.78

Sundry Capital Items.....

366,839.72

Rural Telephones.....

45,938.16

New Court House.....

8,333.33

TOTAL PUBLIC PROPERTY ASSETS..... \$15,197,301.25

SUMMARY

Debenture and Current Account Assets... \$10,017,073.72

Public Property Assets..... 15,197,301.25

TOTAL ASSETS..... \$25,214,374.97

Less Gross Liabilities..... 22,502,836.22

TOTAL.....\$2,711,538.75

In addition to the foregoing Assets, the Province possesses other great financial resources, namely:

- (a) Coal Mines, estimated at..... \$25,000,000.00
- (b) Crown Lands, estimated at..... 2,250,000.00
- (c) Full Direct Taxation Authority.

The item of \$1,540,583.74 for railways, shown in the foregoing table, and other smaller items amounting to \$500,841.97, making a total of \$2,041,425.71 were capital account investments in properties not owned by the Province.

CAPITAL EXPENDITURE, 1921

The capital expenditure during the year amounted to \$3,307,275.61, and was divided among the different services according to the following percentages:

Highways.....	74.6%
Bridges.....	9.0%
Public Relief.....	11.0%
Public Buildings.....	2.5%
Agriculture.....	1.2%
Education.....	.7%
Chapter 18, Acts 1918.....	.3%
Rural Telephones.....	.1%
Debenture Redemption.....	.6%

You will notice that 83% of the total amount has been expended on one of the essential things of civilization, public highways and bridges, and 11% on public relief institutions, these three items alone amounting to 94% of the total amount of capital expenditure for the year.

I do not think there is anyone who will challenge the capital expenditures of the Province. Everyone of the expenditures made on capital account conforms to the admitted principles that apply to capital expenditure. It is admitted that capital expenditure may be made for national defence: that it may be made as a profitable financial investment; that it must produce some equivalent economic advantage; that it may be made if it equalizes burdens in a fair manner as between the present and future generations; or lastly, that it must produce some reason-

able financial equivalent. I think a careful analysis of the capital expenditures of this Province will show that they have been governed by one or other of these principles which should guide the capital expenditure of any nation.

The Province has some debt, but the money, I think, has been wisely expended. Its securities are popular as compared with those of other Provinces, and with the same wise guidance that has characterized the administration of this Province for the past quarter of a century, we may be assured that both progress and safety will accompany government matters, but I want to repeat that any undertakings upon which the Government may enter must be made with regard to what the Province can reasonably be expected to bear. There is no doubt that in some instances the people will be reluctant to pay for things that are necessary, and in many of these instances a programme of education will be required. It took a long time before the public would make any move toward the improvement of our roads. The matter was in the hands of the municipalities, and while there may have been a few of the municipalities that did good work, I say from my own observations that as a municipal road policy it was a pronounced failure. There are, of course, some of our people who cannot pay any taxes, and there are others who should pay more than they do. Nevertheless, in view of the general condition of the world, rigid economy must be exercised by the Government and its officers, and expenditures kept as low as is consistent with maintaining a reasonable efficiency.

There is another most important point. There are a number of young men in this House who have not been here as long as I have, and who, I believe, are sincerely trying to get a grasp of Provincial administration. Some of them perhaps have for the moment weird theories which no doubt will be corrected in time, but the vital question after all is not so much one of party politics as that of carrying on an honest and sincere administration.

There is one thing we must always bear in mind, and that is that the financial resources of the Province, other than taxation, cannot possibly be enlarged to meet the expanding social and economic needs of the Province. We must remember that

money will not come out of the skies, nor can we get any large additional amount out of the fixed sources of provincial income. Any further development of revenue must necessarily come out of the wealth of the community in the form of taxation. We must also bear in mind that the views of today in respect to the economic and social needs of the community are very different from the views at the time of Confederation. Take, for example, the ideas of today in respect to highways, in respect to education and in respect to public health. In all these things our ideas are a thousand miles away from what was proposed to be done at the time of Confederation.

In 1879 we passed the Municipal Act, under which part of the obligations of the Province were transferred to the municipalities, and corresponding financial powers were granted to the municipalities. For instance, the roads and bridges were assigned to them. Now we have taken that responsibility out of their hands and are endeavoring to bring about an improved road system at tremendous cost to the government, while at the same time we have not invaded the area of taxation assigned to the municipalities, except insofar as the small tax for highways is concerned.

I have already spoken of what it would cost to free the Province from Tuberculosis. I don't think there is any man in this House who dwells with greater emphasis on these things than my hon. friend from Yarmouth, but I have never heard that hon. gentleman indicate where the money was to come from in order to carry out such a programme. It is all very well to say what should be done, but good judgment will have to direct us as to how far our sympathies may take us.

In conclusion, Mr. Speaker, let me ask what principles should govern a Liberal Administration, what are the fundamentals that should be kept in view? In my opinion there are four great objectives at which we should aim. First, the abolition of oppression wherever it is found, and especially the oppression of the poor; second, the elimination of ignorance, the curse of the World since the days of Adam. Knowledge is the great thing the world needs. Not a little knowledge, but a great deal, and we should all, especially the members of this Legislature, be students of human life, students of economics, students of men who feel

they are oppressed (whether they are oppressed or not), so that we may come to have an understanding of the problems to which human life is subject. We should look forward to the time when our school system will be enlarged so that there may be a great fraternity formed through knowledge. Third, the overcoming of disease. This is one of the most tremendous problems of the day. As the centuries have gone by much has been done to bring relief in this direction, and one of the great hopes of the future is that disease may ultimately be brought under the control of man.

And lastly, Mr. Speaker, and most difficult of all, because it cannot be completely done but should always be kept in mind, the elimination of poverty, the equalizing of conditions in some ways so that the man who desires to work and who will work and be thrifty shall never be in want. I do not think the elimination of poverty can ever be brought about completely because there will always be the thriftless, the shiftless, the drunkard and the fool. The poor, to some extent, we shall always have with us, but the efforts of government should constantly be directed toward equalizing conditions, so that the man who will work may have a fair chance to live.

LABOR MEMBER: You are on the wrong side of the House.

HON. MR. TORY: I am satisfied that the efforts of the Government of Nova Scotia have always been directed toward these ends. I have been associated with Mr. Murray, the Premier of this Province, for the past eleven years, and I can say without hesitation that there is no man in the House whose heart beats warmer or whose impulses are more generous in respect to matters such as I have mentioned. He may be limited by the circumstances of his surroundings, he may be limited by the financial resources of the Province, but I can truthfully state that his leadership of this Government has always been honest and humane, and I believe has brought upon him the blessing of Almighty God.

Mr. Speaker, I beg to move that the Public Accounts be referred to the Committee on Public Accounts.

INSURANCE, A REVIEW AND AN OUTLOOK

**August 31st, 1923*

MR. CHAIRMAN, LADIES AND GENTLEMEN:—

I approach the subject of my address at the closing of this Convention with considerable uneasiness. You have had a great Convention, filled with many good things, enough to satisfy the appetite of the most exacting.

My subject covers too much ground for the occasion, but I shall pass over the periods of history with great rapidity.

PRELIMINARY PERIOD

The early history of insurance, especially Life Insurance, is largely confined to England, and it is, therefore, in connection with its development in England that I wish to speak for a few moments.

Compared with the history of man, insurance history covers but a short space of time, say some four or five hundred years, as compared with four or five hundred thousand years that man is supposed to have been on the earth. The last great faculty built up in the human mind is that of reflection. Man was naturally apt in action and defence, ready for War and destruction, but slow to reflect upon consequences. That is why Conventions are still necessary. Man does not reflect until he is compelled to, consequently the importunity of the agent, and the increased cost of insurance.

As I have already said insurance history only covers about five hundred years from say 1500. The first two hundred years left no permanent element, except one thing, an idea. That idea was the co-operative idea or in other words the idea of the possibility of combining the contributions of a number of persons to compensate the loss of the individual.

**Delivered at the Life Underwriters Association, Montreal.*

THE GAMBLING PERIOD

So we begin the year 1700 with nothing but an idea, but a very important principle was involved in that idea. The next period covers about sixty or seventy years, or say up to 1770. In this period history produced quite another phase of insurance evolution. The idea in the first two hundred years of thinking the matter out, was commercialized and made the basis of the wildest form of speculation, resulting in little but loss and disappointment. An idea of the character and methods of the business conducted at that time is set forth in the following quotation from a book by Mr. Cornelius Walford:—

“The distinguishing feature of the age was the gambling tendency of nearly all the offices. Under the title of Insurance Wagers, every conceivable description of speculation was entered into. On one day we find the offices wagering £30 against £100 that King William could not reduce the city of Namur before a given date. The next, on the period of favour to be enjoyed by the mistresses of some foreign potentate, and the third day, on the sex of Chevalier D'Eon, whether he was a male as he pretended to be, or a female as he was reputed to be. The duration of the lives of persons believed to be on their death-beds, was a common hazard; and the Author of ‘Everyman his own Brother’ was not far wrong when he said the dissolution of persons, who saw themselves insured in the public papers at 90% was not unlikely hastened by such announcements. Even the morality of the newspapers of that day was shocked by such proceedings. The introduction and amazing progress of illicit gaming at Lloyds Coffee-House is, among others, a powerful and melancholy proof of the degeneracy of the time. Though gaming in any degree is perverting the original useful design of that Coffee-House, it may be excused, in some measure to speculate on the following subjects:— Mr. Wilkes being elected member for London, which was done from five to fifty guineas per cent; Mr. Wilkes being elected member for ‘Middlesex from twenty to seventy guineas per cent; Alderman Bond’s life for one year, now doing at five percent, but, continues the sensitive journalist, when

policies come to be opened on two of the first peers in Britain losing their heads at 10/6d per cent, and underwritten chiefly by Scotsmen at the above Coffee-house, it is surely high time to interfere."

THE PERIOD OF SCIENTIFIC DEVELOPMENT

The next one hundred years, that is from about the year 1770 to 1870 might be properly termed the period of Scientific Development, when all the fundamental elements necessary for safety and progress were assembled. Means of organization and control were created in the form of the Joint Stock Companies Act 1844-1862, and the Insurance Act 1870. Not only was organization made possible, but the old idea of unlimited liability was eliminated and limited liability established. Careful and prolonged investigations were made in respect to vital statistics and important and scientific mortality tables deduced, for example, the table known as the Northampton Table in 1790, Carlisle's Table in 1787, the Equitable Table in 1834, Actuaries 1843, American Experienced Tables 1869. Several permanent offices were organized, nevertheless there were a great many others of a more or less ephemeral type, which ultimately passed out of existence.

In addition, Insurance Mathematics engaged the attention of the greatest minds of the time. The following from the Writer already quoted, sets forth this phase very clearly—

"Never, perhaps, were there more great minds devoted to the investigation and perfection of science, at any one period, than to the science of life probabilities at the period or immediately prior to the period just passed in review. 'We have had in England,' remarks Mr. Samuel Brown, 'Boyes, Simpson, DeMoivre, Halley, Stirling, etc., but we have carried out the practice in Life Insurance to a degree which, considering the short period elapsed, astonishes by the grandeur of the interests involved, and the vast amount of benefit, which it has conferred upon Society.' In 1830, a Treatise on Probability, in the 'Library of Useful Knowledge' by Messrs. Lubbock & Drink-

water, being the first attempt to make the subject popular to the great mass of the people, and in 1838, Professor de Morgan in his admirable Essay on Probabilities, and on their application to Life Insurance and Life Contingencies, brought within the reach of the mere Arithmetician the rules, which, if their demonstration must first be studied in the pages of Laplace, would be confined to Mathematicians of the highest order. The student who wishes to consult the higher branches of the subject in English may study with advantage the article on the "Theory of Probabilities" also by Professor de Morgan, in the 'Encyclopedica Metropolitana', in which the substance of Laplace's great work is briefly given, and a Treatise on the same subject by Mr. Galloway, published originally in the Encyclopedia Britannica, and afterwards in 1839, in a separate volume, which contains a summary of the reasonings of Laplace, Condoret, and Poisson."

This brings us up to 1870, which I regard as the beginning of the Modern Period of Life Insurance.

THE MODERN PERIOD—ITS CHARACTERISTICS

I now wish to call your attention to some of the characteristics of the present or Modern Period. As I indicated before, when we entered this period we had already assembled all the elements to make progress and security possible, and from the date of the beginning of this period great progress and great security have been in evidence. It seems to me that most of us scarcely realize that modern development of life insurance only covers a period of from 40 to 50 years.

INCREASE IN BUSINESS

In order that this remarkable development might be brought home to us, I propose to quote a few figures in periods of ten and twenty years, showing the increase, in the first place, in the business in force, and in the second place, in the increase in new business secured, taking for the present the United States, Canada and England:—

ADDRESSES

UNITED STATES

Business in Force—in 20 Year Periods.

1881.....	\$ 1,539,845,081
1901.....	7,572,802,805
1921.....	45,573,876,667

New Business Secured.

1881.....	\$ 222,582,482
1901.....	1,470,317,888
1921.....	9,126,332,314

CANADA

Business in Force—in 20 Year Periods.

1881.....	\$ 103,290,932
1901.....	463,769,634
1921.....	2,934,843,848

New Business Secured.

1881.....	\$ 17,618,011
1901.....	73,899,228
1921.....	528,193,352

GREAT BRITAIN

Business in Force—in 10 Year Periods.

1881.....	\$ 2,730,829,489
1901.....	4,344,547,975
1911.....	5,555,923,125
1921.....	8,458,927,100

New Business Secured.

1911.....	\$ 318,314,185
1921.....	594,010,460

GREAT EXTENSION OF THE AREA OF COVERAGES

A second characteristic is that of the great area of coverages developed in recent years. A few years ago we considered Life and Endowment Assurance without much reference to the actual need of the case. To-day Insurance is applied to meet specific needs. With a view to indicate the development in this direction,

I have prepared a schedule, which sets forth the present application of Assurance to the needs of the times:—

1. Contingency Pertaining to Wife, Children, or Other Dependents.

- (a) To provide a lump sum for distribution by Will.
- (b) To provide an income for Wife for life, for children in case of premature death of wife.
- (c) To provide for the education of children.
- (d) To provide allowances for invalid or improvident child or ward.
- (e) To provide perpetuating allowances for dependent or semi-dependent parent, sister or brother.
- (f) To provide continuing annuities or allowances contingent on the life of the assured person.

2. Contingencies Pertaining to Special Obligations, Created by Death.

- (a) To provide cash funds to discharge the special expenses involved by last illness and funeral.
- (b) To provide for domestic expenditure and household expenses during re-adjustment period.
- (c) To provide Pensions or Cash Allowances to faithful servants.
- (d) To provide protection of Assets from which income is derived, and their preservation from forced liquidation.
- (e) To provide for succession duties or inheritance taxes.

3. Contingencies Arising Out of Business.

- (a) To strengthen commercial credit.
- (b) To indemnify a partner or servant of unusual value, whose death would involve definite loss.
- (c) To protect an interest in employing firm's business or liquidating the interest of a deceased partner.
- (d) To furnish funds for the purchase of the survivors of stock held by a deceased associate.
- (e) To maintain credit which otherwise would be impaired by the death of a partner or proprietor.
- (f) To provide Cash or Annuity Funds for employees and the avoidance of compassionate and discriminatory grants.

- (g) To indemnify any life of value to concern by reason of influence, genius or experience.
- (h) To replace capital withdrawn from a business upon the death of a creditor or partner.
- (i) To offset any adverse effect created by the death of any person connected with a firm.

4. *Contingencies Arising Out of Obligations. Contracted During Life.*

- (a) To provide for liquidating debts.
- (b) To provide for cancelling property mortgages.
- (c) To discharge building or loan shares.
- (d) To provide funds for the payment of unpaid balances on stock and share holdings.
- (e) To satisfy Guarantors and Creditors.
- (f) To maintain an Estate at peak value.

5. *Contingencies to Which Endowment Assurance May Be Applied.*

- (a) To provide a sinking fund against impaired earning power consequent upon old age.
- (b) To provide a sinking fund to meet obligations maturing at a future date or prior to death.
- (c) To provide a fund for the establishing of a business, or securing of a business interest.
- (d) To provide for patrimony or marriage dower.
- (e) To provide funds for the education of children.
- (f) To provide funds for the retirement of bonds.
- (g) To provide for charitable bequests or establishing endowment for public institution.

In addition to this, there has been prepared a very careful analysis of this phase of the business by the Bureau of Life Insurance Sales Research and also another excellent Schedule by Dr. J. A. Stephenson, in his excellent book "Selling Life Insurance." With these Schedules everybody should become familiar.

GREAT POPULAR APPRECIATION

A third characteristic of the present period is that of the great popular appreciation which has developed. Apart from

the large volume of business, to which I have already referred, there are other indications which show the hold that our business has taken upon the public mind. Consider for a moment that during the War the United States Government placed upon the lives of soldiers over forty billions of Life Insurance. Consider also the fact that every Provincial and State Government in the United States and Canada has forced the industrial enterprises to cover all their employees under various Compensation Laws. Think also of the fact that in 1911 ten millions of workers hitherto unprovided for had been swept into the National Insurance Scheme by an Act of Parliament in Great Britain. Slowly this principle of shifting the burden of the individual to that of the many is covering the earth like the waters cover the sea.

A fourth characteristic of the present period has been the tremendous accumulation of wealth on the part of the companies of this continent. The act is brought out very clearly by reference to the assets held by the Companies in the interest of the policy-holders in the United States and Canada. The assets held by Insurance Companies in the United States and Canada in—

1881 amounted to.....\$ 424,171,192

1911 amounted to..... 1,782,241,789

1921 increased to..... 7,488,923,078

of which approximately \$2,600,000,000 was invested in Mortgage Bonds, other than Railway Bonds, approximately \$2,604,000 invested in Railway Bonds, and approximately \$1,100,000 in Policy Loans, as well as \$1,497,000 in Miscellaneous Investments. The effect of this great accumulation of wealth on the social progress of this continent can scarcely be calculated.

PRESENT TREND OF THE BUSINESS

I now wish to say a few words with reference to the present trend of our business. Of course, only a few phases can be mentioned, and these will have special reference to the Agency problems.

1. Application of Scientific Methods in Agency Organization

The first phase of the present trend to which I desire to refer is that toward the application of more scientific methods and prin-

ciples in connection with our agency organization. The light of enquiry is focussed more pointedly in this direction than ever before. The feeling has grown that our methods are crude, that we are governed too much by the art of administration rather than by the science of administration. The position of the general agent during the current period of Insurance Evolution has been prominent and important. I believe, however, as time goes on the position of the general agent will gradually disappear and in his place will come the Agency Administrator. I may be wrong in this, but this is my view. Whether the general agent has anything to do with the matter or not, the turnover in employment is too great, and the waste of time and serious effort too great, and, as a consequence Agency Officers' Associations have been created, and from this has come the Sales Research Bureau, supported by a number of Companies, and that Bureau is now investigating all agency problems, and trying to find a proper solution. The trend is positively in the direction of an enlightened and more scientific and more effective administration.

2. The Development of Power and Efficiency in the Agent

The second phase of the present trend is toward the agent himself. The light has been focussed upon him also as never before.

The questions asked are—

1. What kind of man should he be ?
2. What should he know ?
3. How shall he be taught ?
4. How shall he be paid ?
5. What provision shall be made for his future ?

The agent is now in the limelight. The day for his special consideration is at hand, and a more effective and efficient product, will, in my opinion be the outcome. Already schools to this end are being established, college courses inaugurated, Field Service Bureaus set up, Psychology Tests applied, but we are only in the beginning of the effort which will ultimately be put forth in this direction. A clear indication of this is seen in the report of the Education Committee of the Association of Life Offices, of which the following is an illustration.

"Education of Life Insurance Salesmen"

"The impetus already given to the more adequate training of Life Insurance salesmen by individual company managements, plus the leadership of the Carnegie Tech. in their Insurance School, has advanced the cause of education to a marked degree. New York University has recently opened a school for salesmen in Life Insurance under the auspices of the New York Association of Life Underwriters. This school is headed by Dr. G. M. Lovelace, to whom great credit is due for his efforts on behalf of a better trained Life Insurance salesman. The courses taught at these two schools plus the courses at Denver and Oklahoma Universities have received the sanction of the Committee on Standards. With the Summer Course taught by the Carnegie Tech. Faculty, the four regular courses and a multiplied number of Home Office training plans, it seems clear that the buyer of the future is certain to receive an impressive degree of real service which will result in benefits to our business as a whole and to the public in good measure.

"Our suggestions as to the line most needing our attention may be summarized as follows:—

"First—An effort to maintain and improve standards in training courses given outside individual company courses.

"Second—Continued and close co-operation with the Central Sales Research Bureau.

"Third—Continued study of all factors leading to a better education of the public through any form of institutional effort which a significant number of companies may show willingness to support."

Gentlemen, the day of the Agent is at hand!

3. *Elimination of Waste*

The third phase of the present trend is that of the elimination of waste. The loss of initial energy in connection with the production of business is excessive. I have not analysed the facts in connection with the United States business, but I think they would be found to be more serious than is the case in Canada. I wonder if you know that the lapsed and surrendered policies in Canada during 1922 amounted to over 288 millions, or an amount

equal to or practically 50% of the business written in that year. This is a tremendous waste, and some remedy must be found for this, as well as for other forms of waste which confront us. Here again, the light of enquiry has been focussed. Conservation Departments are being established by the foremost companies, and a great saving is bound to be effected, but in this case no one department can accomplish the task. To assist, the agent must be interested, the various office staffs must be interested, Head Office officials must be interested, and all contact with our policy-holders should be such as to make them friends of the company, and to encourage them to keep their policies in force. There is, no doubt, that the keenness of competition and the pressure upon agents has had a good deal to do with bringing about this condition, in addition to the lack of proper appreciation of the value of insurance in many individual cases.

4. Co-operative Effort

The fourth and last point to which I wish to refer is the trend towards general co-operative effort. During the period, over which I have just gone, the dominant note has been competition, often destructive competition, sometimes merciless competition, but the light has also been turned on these phases of competition, and the intelligent mind is working in a better way, as a consequence of which there is a powerful trend towards co-operative effort. No better exemplification can be found than in this very gathering. What are we doing here? Are we not giving to each other the very best gifts we have, our most valuable ideas, and given freely to be used for the benefit of each other? This to my mind is a far-reaching exemplification of the benefits of co-operation, and this is not the only indication of the tendency. Life Presidents' Associations have been formed, Life Officers' Associations have been formed, Agency Officers' Associations have been formed, Actuaries' Associations have been formed, Life Medical Associations have been formed, Life Underwriters' Associations have been formed, all tending, and powerfully tending, toward co-operative effort.

Ladies and Gentlemen, the past has seen much accomplished, largely by competitive effort, but the future will see great accom-

plishments as the result of competitive effort modified by co-operative effort.

THINGS THAT MAKE FOR PROGRESS

I now wish to make a few observations in respect to those elements or factors which make for progress in our business.

1. Social and Economic

The first I will mention is the social and economic progress of our people. The fact is that the measure of social and economic progress will be largely the measure of our future Life Insurance progress. It is a fallacy to assume that Life Insurance is in the economic sense a wealth producing business. On the contrary it is a wealth distributing business. It presupposes wealth in some degree. No one goes to the poor-house to write Insurance, but goes where people can pay the premiums. It is not a cure for poverty in a general sense, but only in a particular sense. The power to buy is the basis of the power to own. I wish you to get this point clearly for from it you will discover that our interests and the general social interests are inextricably bound together. The signs of the times are favourable. It is now stated, I am not sure on what authority, that the rich are steadily growing poor, and the poor steadily growing rich. If this is so, and a reasonably equal distribution of wealth is brought about, there will be a tremendous expansion of our business in the future. When these facts work sufficiently into the minds of all the great companies, and they become directed towards the solution of the great social problems of to-day, there will at once be brought into play a new and powerful agency, making for stability and human progress.

2. The Character of the Institution

The second element making for future progress is the character of the institution as a whole. In the day of our small beginnings in almost all the companies, the character of one man constituted the character of the company, but with the growth of the individual company, the character of the company has become composite. Each powerful mind added to the organization, whether

in the field or in the office, writes his qualities and character into the character of the company, so when you come to the Institution as a whole—and that is how I like to think of it—you have the composite character of all the companies and of all the men composing these companies. How important, then, that the character of the personnel of all our companies should be of the right kind. As an institution, we are bound by the nature of our business into a moral compact because the acts of one affect the lives of all, and power and progress will come to us as the character of the institution stands for all that is best and highest in our business.

3. The Power and Efficiency of our Agency Organization

I now come to another point which I consider of great importance in making progress in the future, and that is the power and efficiency of the Agency Organization of our companies. I want you to observe a patent fact—if you have not already observed it—that wherever great agency leadership and organization have been exalted and properly recognized by the management of companies, there is to be found the greatest development and progress. In England, the business is comparatively stagnant. Why? Because, generally, the General Manager's position has been exalted to a high level, while agency administration is practically left to decay. The agent has little or no standing and is at the same time a prey to a species of grafters, parasites who make his life intolerable.

In each of the four periods to which I have referred a dominant note has been clearly sounded. A distinct element or motive was in evidence. In the first period there was the growth without knowledge, and little followed. In the second, the get-rich-quick motive, and crookedness followed, and the third period said "let us find a way to solid ground and safety" and safety followed, and in the fourth period "let us be big" and bigness followed.

THE THEME FOR THE FUTURE

We now stand at the parting of the ways. What is to be our Theme for the future?—the Theme which gives power, harmony and effectiveness. It seems to me that we should write indelibly

in the programme of our Companies this very Theme—"Service to the Community"—The Theme which lifts us above individual managements, individual companies, and makes us a part of the great Institution with a common purpose, tending to eliminate all destructive competition, and making for the greatest possible progress and the greatest possible usefulness in each of our individual companies.

I like to compare the building of our great Institution to the building of a great Temple, whose dome spreads itself beneath the Heavens, whose walls reach the circumference of the earth, wherein there is light, music and gladness, and within whose portals shall be gathered people of all kindreds and tongues; a beautiful Temple with a great arched entrance and over the Entrance—

*"In as much as ye have done it unto one of the least
of these, my Brethren, ye have done it unto me."*

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AT ANNAPOLIS ROYAL.
ON THE 320TH ANNIVERSARY OF THE BIRTH OF
THE DRAMA IN NORTH AMERICA.

CITIZENS OF ANNAPOLIS ROYAL:—

It gives me much pleasure to join with you to-day in the commemoration of the 320th Anniversary of the Birth of the Drama in North America, one of the many interesting things for which Nova Scotia is famed. I think it very important that all such facts illustrative of our history be kept fresh in our memories and enshrined for the benefit of posterity.

I should like to offer my congratulations to the Historical Society of Annapolis Royal for bringing thus prominently to public attention such an interesting and instructive episode of the earliest days of North America.

The accounts recorded of the spirited manners of the gallant French garrison at Port Royal introduce a pleasing dash of color into the recital of our history. I am sure that many a schoolboy has been enabled to recall at will the events connected with the establishment of your ancient fort, because of the lasting impression made upon him by the story of "The Order of Good Cheer".

It is significant that the first settlement in our country should have been the scene of the first Dramatic production. It was a happy prediction of the part which Nova Scotia was destined to play in the development of our Dominion. It is in the intellectual and cultural life of Canada that our Province stands forth with a certain pre-eminence. For this we are indebted to those devoted men and women amongst our citizens, who, in every generation since the earliest times, have appreciated the finer things in literature and art.

There are still other reasons of a more personal character which make the visit of Mrs. Tory and myself of special significance to us. Mrs. Tory's ancestors were among the early settlers of

this county. John Whitman, her Great Grandfather, settled in Annapolis, arriving in the "Charming Molly" about the middle of the 18th century, and her Grandfather, Abraham Whitman, was born in Annapolis in 1761, later removing to Guysboro' County. In this way the two counties are for us intimately connected.

In addition, these two counties passed through ordeals common to both, and were also rivals for the seat of Government. During Lieutenant Governor Armstrong's term of office, (1724), in a despatch to the Secretary of State, he urges the building of a fortification at Canso on account of the constant insults and massacres to which the English there were exposed from the Indians, encouraged as they were by the French who supplied them with powder and ball. He states:

"it being very demonstrable from the great concourse of English subjects here, that this is the principal seat of Government, I intend to bring Major Paul Mascarene, Hibbert Newton, William Skene and William Shereff, esquires, gentlemen of the Council of Annapolis Royal, down to that place, in order to have a quorum."

Ultimately, both counties had, however, to give place to the more central location, and Halifax was chosen as the seat of Government in the year 1749.

The strife and hardships of these early days are happily over. I would suggest to anyone becoming despondent to recall the history of Nova Scotia during the first two hundred and fifty years, the days of Poutrincourt, De La Tour, St. Denys, and Mascarene; and also in later days the brilliant achievements of men like Johnstone, Howe, Haliburton and the Ritchies of Annapolis Royal; and to-day the career of men like our illustrious friend The Honourable The Chief Justice of Nova Scotia.

It has been said, and, I think truly said, that historically Nova Scotia is the most famous of all the Canadian Provinces and its story is a very romantic one. In the realm of literature it is the Attica of Canada. Sir Wilfrid Laurier was known to say that never since the days of Athens has a country with so small a population given to the world so great a number of brilliant

literary men and women as Nova Scotia. And I think it may be said that no oversea state has given so many famous Statesmen and War-captains, on both sea and land, to the Empire as this proud and truly Imperial Province of ours.

Lastly, I wish to thank you warmly for the very generous welcome on this my first visit to Annapolis Royal. I would assure you that both Mrs. Tory and I feel that it is good for us to be here and we promise ourselves repeated visits to your delightful town with its fine old-world flavour and magnificent setting.

REPLY TO AN ADDRESS, KENTVILLE

Aug. 14, 1928

TO HIS WORSHIP THE MAYOR, AND THE CITIZENS OF KENTVILLE:

I thank you most sincerely for the gracious words with which you have welcomed me to Kentville on this occasion. I can assure you that it is a great pleasure for me to be here to witness this Historic Pageant, which, I am sure, will be most interesting. As a matter of fact, I was just waiting for some opportunity such as this to pay you a visit, and I hope that it may be an earnest of future visits of possibly a less formal character.

I want to congratulate you heartily on the enterprise and energy displayed in undertaking this summer Carnival and Grand Historic Pageant, including, as it does, so many interesting events. It cannot fail to be of benefit to the town of Kentville, and will also, I am sure, give great pleasure to many who come from other parts of the Province to enjoy this three days' outing.

I desire to thank you also most sincerely for the kind reference you have made to me personally in respect to the high office which I have the honor to hold.

I have listened with great interest and pleasure to your remarks with reference to your beautiful town, and note that it was the occasion of a visit from His Royal Highness, Prince Edward, Duke of Kent, while Commander-in-Chief of His Majesty's forces in North America, which led to the selection, in 1826, of "Kentville" as its name.

It is a great pleasure also for me to hear of the steady growth, not only of the town, but of its many commercial enterprises, and that so many important institutions have been located in your midst.

I think there is no town in Nova Scotia about which so many nice things have been said. Its beauty has been described on

many occasions in the most delightful manner, and all that has been said, I heartily endorse.

You of King's County are a highly favored people; you have a great heritage rich in mythological lore and historic incident, in sturdy origin, in fertility of the soil, in beauty of landscape, and in educational and social opportunity. On your Olympus of Blomidon sat at one time the ancient deity of the aboriginal people of this country, the Micmacs. From there his edicts went forth, making this the centre of the ancient life of this strange tribe. To this centre came also in greater numbers than perhaps to any other part of the Province, the pioneers of the French race. Here were stirring incidents of struggle and massacre.

Here was the focal point of that tragic drama of the Expulsion of the Acadians. From here came the inspiration for that great poem, *Evangeline*, which has made Grand Pré known throughout the world as few country districts are known, and which will continue to awaken and stimulate interest in Nova Scotia for many years to come.

To this section of country came also the hardy New Englanders to fill the space made vacant by the departure of the French, and of which your Historic Pageant, I have no doubt, will tell much. From this virile stock came your present population, who have inherited, by natural transmission, their mental, moral, and physical forces, requiring only the culture of the schools, religious and social influences to develop that refinement of manner and that culture of personality which is so characteristic of the people of this district.

But this is not all. There is a section of Western Canada known as the fertile belt, which is now the granary not only of Western Canada, but of a great part of the world as well. Here in King's and Hants counties we have the fertile belt of Nova Scotia. From here can come in abundance all kinds of fruits and grains which can be produced in temperate climates. It is true that you have concentrated largely on fruit, and as a result the Nova Scotia apple is favorably known everywhere, except perhaps in Halifax, where we seem to prefer to send to New Zealand and British Columbia for apples rather than use the best

apples in the world, namely those produced in the County of Kings.

There is another thing I should like to mention. What thrilling beauty of landscape is found here! Where can its equal be found? Hill and valley; river and stream; mountain peak and low hillside; beautiful meadows, gardens and orchards; trees, shrubs and flowers, all concentrated and mingling to make a picture pleasing to the gods and ravishing to men. I sometimes think that we are so close to these things that we fail to see them as others see them, or as they deserve to be seen.

Nevertheless, and in spite of all that I have said, King's County is not Nova Scotia, nor Canada, nor the British Empire. King's County cannot be a great Province, nor a great Nation, nor a great Empire, but it can be splendid part of all these, and while at times the horizon of our thought may properly be the boundary of the town or the county in which we live, at other times it is well to have the larger vision, for the larger vision brings unity, and from unity comes power and liberty, and national and imperial greatness.

And finally, here in this County are concentrated both secondary and higher education, religious and secular, so that out of this centre must of necessity flow strong, cultured, moral men and women, who will come to understand that after all the greatness of life does not consist only in the abundance of the things that we possess, but rather in the power of the mind, the love of the heart, the courage of the spirit, and in an unfaltering faith in the goodness of God.

Again I thank you for your cordial welcome, and especially for your kind wish for the health and happiness of both Mrs. Tory and myself. I hope that your Carnival may be a great success, and the enjoyment of it all that could be desired.

AT THE OPENING OF THE PROVINCIAL EXHIBITION

Halifax, August 27th, 1928

LADIES AND GENTLEMEN:

I need scarcely say to you that it is a very great pleasure for me to participate in the opening of this Exhibition. I believe it marks an epoch in the industrial life of the people of this Province. Eleven years have passed since the great explosion in Halifax destroyed all the buildings pertaining to the old Exhibition. However, new and better buildings have now been erected, and I sincerely hope that the Provincial Exhibition is entering upon a period of prosperity and success.

But before proceeding to discuss Exhibition matters in general, I wish to extend a word of welcome, especially to those who have come from other parts of the Province. There are several reasons why you are welcome to Halifax.

In the first place, Halifax is a very hospitable and kind-hearted city. Considering that its citizenship is made up chiefly of Scotch and Irish, it is not surprising that such is the case.

Besides that, Halifax is the Capital of the Province. I think I am right in saying that the Halifax people not only welcome you, but are eager to have you here in their midst.

Another reason why you are welcome is because your interest with the city in this great enterprise is a joint interest. This is your property as much as it is the property of the city of Halifax, and the fact that your interest is manifested by your being here is another warrant for your welcome.

This is the centre also of other great institutions belonging to the Province. There are gathered here our Provincial eleemosynary institutions, educational institutions, governmental institutions, and, as I have before mentioned, this great Provincial Exhibition. These are your institutions, belonging to the people

of the Province, and we think that at least once a year you should pay them a visit.

And still another reason is that we believe that the coming together of our people will enlarge their sympathy for one another, create a spirit of unity, and make for a better and more helpful feeling on the part of all. You should not only make it a visit, but you should make it a great annual holiday. I am sure for these reasons, and many others, you are heartily welcome to the city of Halifax.

A WORD OF CONGRATULATION

Before proceeding further, I wish to offer a word of congratulation. I desire to congratulate first the city and Province on the vision and courage which inspired them to rebuild. It was an undertaking which cost a great deal of thought and consideration, because a great expenditure must always be considered in the light of the city's financial condition, and also in the light of the responsibility of the Province under the British North America Act, a serious responsibility which increases as time goes on. I think there is no doubt about the value of the Exhibition to the city and Province, and it should be the earnest desire of everybody to make it a profitable undertaking.

I wish also to extend my congratulations to the Commission for the promptness and thoroughness with which it has undertaken the work, for the completeness of its plans, and for the excellent design adopted. I believe that the Commission has decided wisely in regard to the plan, and I congratulate the members on the conclusion reached.

I wish also to extend my congratulations to the contractors whose work seems to be so well done, and who have carried out in such an excellent manner the plans submitted to them.

And lastly, I wish to congratulate the exhibitors on the comprehensiveness of their display, the artistic arrangement of the booths, and the great scope covered by the exhibits. These have been arranged for the convenience of those who desire information and in a manner to produce a pleasing effect.

HISTORY OF EXHIBITIONS

Now I hope you will find it interesting if I say a word about the history of exhibitions. The first exhibition of which we have any record was held nearly 2,500 years ago in Persia. It appeared that King Darius was anxious to stimulate trade, and at the same time to set forth the glories of his Kingdom, so he called together the representatives of all the Provinces over which he ruled, and held a great Exhibition. It lasted for 180 days. The record is not clear as to what was the nature of the exhibits during that time, but at the end he held a seven days' feast. At this feast there were exhibited beautiful hangings of purple and fine linen, beds of silver and gold, floors and pillars of coloured marble, and they drank wine from golden cups of varied patterns.

At the expiration of the seven days, the King having shown off to his own satisfaction the glories of his Kingdom, sent for the Queen that he might display her beauty. The Queen herself was having a little party, and perhaps was not in a frame of mind to be exhibited. In any case, she refused to come. Growing out of that incident was formulated an edict which declared that the man was the head of the house, and his wife must honor and obey him. A relic of that has come down to the present time, and that is why I cite the incident.

It is stated that as a result of this exhibition incident the King divorced his wife, and married one more amiable. I hope no such serious results may follow this Provincial Exhibition in Halifax.

The second Exhibition of which we have any record in the world's history was held in Venice in 1268. In this case apparently the motive was advertising. The exhibition was gathered together in St. Mark's Square, and the gild leaders paraded their wares before the Dogaressa, the wife of the Chief Magistrate, apparently with a view to having their goods used in the Court.

The first Modern Exhibition was held in London in 1756, or a few years after the foundation of the City of Halifax. Here a new element entered into the exhibition idea. It was the first time in history, so far as we know, when prizes were offered in order to stimulate the better production of goods. The particular

goods emphasized in this exhibition were tapestries, carpets, and porcelains, and apparently a very considerable stimulus was given by these prizes.

The first great International Exhibition was held in London in 1851. It was for this exhibition that the Crystal Palace was built to house the exhibits. It was a great success. All nations were invited to compete. Some six millions of people visited the exhibition; the receipts were almost \$2,500,000., and the surplus was nearly \$1,000,000. In this case the motive appeared to be world-wide information in regard to trade, and at the same time to stimulate competition in the production of goods.

From this time onward the idea of exhibitions entered into the general life of the people, and exhibitions are now held in all modern countries. In Canada alone there will be held during the year seventeen different important exhibitions, besides many smaller local fairs, so that we in Halifax are again getting into line with the trend of thought in respect to this means of stimulating business in connection with our own Province.

EXHIBITIONS IN NOVA SCOTIA

I shall not detain you by going into the history of the agricultural and industrial movements of Nova Scotia more than to say that the first Agricultural Society seems to have been formed as early as 1789, and to have held several small exhibitions later on. The formation of this society was followed shortly by the formation in King's County of a similar society with broader objects, and also, I believe, by one in Pictou County.

The movement, however, in which we are particularly interested began just prior to 1896 so that in that year an Act was passed incorporating an Exhibition Commission for the purpose of holding an annual Provincial Exhibition. The Commission was composed of twelve members, five of whom were appointed by the City Council of Halifax (the Mayor of the city being *ex officio* a member), five were appointed by the Provincial Government, of whom one had to be a member of the Government, and the other two were appointed by the Nova Scotia Farmers' Association.

The Exhibition Commission purchased a site, erected buildings, and held its first exhibition in 1897 and continuously thereafter until 1917, excepting the year 1914, having held altogether twenty exhibitions.

The total expenditure on Capital Account up to 1918 was \$178,000. The work of the Commission was interrupted by the explosion of 1917, which destroyed practically the whole building equipment. The great expenditure in which the city was involved through the effects of the explosion and the War, and the heavy burdens of the Provincial Government caused delay in the reconstruction of the plant. Finally, however, the movement got under way, and the results are before you. The total expenditure to date on Capital Account, less the amount paid by the Halifax Relief Commission, has been approximately \$550,000.

PRESENT EQUIPMENT

The Commission has developed a first-class equipment. They have built: a cattle building with accommodation for 800; horse buildings with accommodation for 160; large accommodation for sheep, swine, and other live stock; a grand stand with seating capacity for 6,000, with booth space underneath; a forum, or arena, with seating capacity for 5,000, with a large amount of space for booths for industrial exhibitions.

In regard to entertainment, it would seem to me that the programme which has been provided should be both profitable and delightfully pleasing. A pretty full week is guaranteed. The programme includes:

A big Vaudeville Show; a Wild West Rodeo; Acrobatic Troupes, Gymnasts, Dancers, Comedians, 50 different kinds of Fireworks, Horse-racing, which is always a big attraction, Judging of Live Stock, Viewing of Exhibits and Judging, and with the Midway, or Gay Alley thrown in, everybody should remember the 1928 exhibition with considerable pleasure.

VALUE OF EXHIBITIONS

Judging by the extent to which exhibitions have entered into the life of all progressive people, it should not be necessary to

say much in support of their value. An institution which has engaged so much of the time, energy, and money of the people in general must have something of special interest connected with it. It might be well, however, to call attention to one or two of the things of value which are offered by this exhibition.

In the first place, it brings under concentrated review the activities of our people. No one can visit this exhibition without gaining a lot of useful information and developing a pride in the achievement of his own Province, as well as in that of other parts of the Dominion. Persons coming from isolated parts of the country can gain more practical knowledge of what is being done in the Province during Exhibition Week in Halifax than they get possibly in years without such an opportunity, and if information alone were the object, it seems to me that the exhibition would be well worth while.

Another thing of great value in connection with an exhibition is the promotion of competitive effort. There is no doubt about the stimulating power of competition. If you want a horse to develop his best speed, he must have a pacemaker. If you want a man to accomplish the best results, he must be brought into competitive effort with some other man. All my experience goes to indicate that competition is one of the greatest agencies in the world for the promotion of increased effort and increased achievement. This exhibition, with its exhibits from various parts of the country, should develop a keenness of competition which would make the products of Nova Scotia as fine as any in the world.

Another thing of great value is the opportunity it gives for a general annual holiday. People who have studied psychology have at last come to the conclusion that play is a great factor in promoting both health and happiness. I am sure that if the people of Nova Scotia set aside annually a week for enjoyment at the exhibition, apart from all other advantages, the week would be profitably spent. The old adage, "All work and no play makes Jack a dull boy", has now been confirmed by the scientists who have investigated the matter. Further, such a decision would ensure to the Province of Nova Scotia an exhibition worth while for many years to come. Your interests, both personal and

general, are bound up to a considerable extent in the Nova Scotia Provincial Exhibition.

There is another factor of value to which I would call attention, and that is the value of meeting together and getting to understand each other. Understanding and unity of effort lie at the base of all social progress. Without unity of thought and purpose no great thing can be accomplished. No unity is possible unless people can meet and understand each other. Let the Nova Scotia Exhibition be the meeting ground out of which may grow unity of purpose, broader sympathy, and a greater desire to maintain, in the future as in the past, the high place which Nova Scotia holds in the Dominion of Canada.

THINGS ESSENTIAL TO PROGRESS

May I take a moment to call your attention to four things the possession of which I regard as essential to progress.

First, the scientific attitude of mind. The most progressive nations are those where this attitude of mind dominates social and industrial life. There never was a time in the history of the world when so much thought, energy and money are directed toward scientific research as the present. England, France, and Germany, and the United States are spending millions in this direction, and at last Canada is taking up the work. I am hoping that when the Scientific Research Council of Canada is fully organized and equipped, much good may be accomplished, and I feel sure that its value will be felt in Nova Scotia.

I notice in the report of the Department of Natural Resources that in connection with the manufacture of fruit products alone, there are ten separate scientific problems awaiting solution, and there are hundreds of others in connection with other departments of the industrial life of Nova Scotia.

Second, the possession of an ambitious spirit. No City, Province or Nation ever achieved anything without the ambition to achieve. As a matter of fact, I think it is pretty well accepted that the measure of a man's ambition is the measure of his achievement. If Halifax is to be a great city, if Nova Scotia is to be a great Province, if Canada is to be a great Nation, there must be in the

minds of the people an ambition in this direction. For many years I had under my direction a great agency organization extending throughout many parts of the world, and the one man with whom I could do nothing was the man without ambition.

An ambitious spirit is the second great factor in national and social progress.

Third, the application of specialized knowledge, knowledge of the thing which is involved in the life work of the individual. The Micmac Indians roamed this country for thousands of years and left practically no permanent achievement to mark those centuries. The difference between the Micmac and the modern Nova Scotian is largely that of knowledge.

The theory was entertained years ago that the farmer, for example, did not need much knowledge for farming. That theory is now exploded. My experience has been that of all the many forms of activity in the world, there is scarcely one which requires more special knowledge than farming. I was born on a farm and have been engaged in farming to some extent all my life, and naturally would be supposed to know something about it. My experience, however, clearly shows me that farming, to be successful, involves more scientific knowledge and a broader general knowledge than any other business in which I have been engaged. Take, for example, three things: plant pests, plant pathology, and animal husbandry, apart from soils, fertilizers, and a hundred other things, and you have subjects which it takes years to master.

The Government of Nova Scotia has for years been trying to help disseminate special information in connection with farming, and I am glad to say that a great many pamphlets are now being used to inform the farmers in connection with their work. Pamphlets have been issued on Animal Husbandry, Dairying, Field Crops, Horticulture, Injurious Insects, Poultry, Soils and Fertilizers, and are distributed free of charge.

The demand of the hour is special knowledge of the work in which we are engaged.

Fourth, the will and ability to join in co-operative effort. We have reached the period when extreme individualism has passed. We have entered upon the day of great organizations, the day of united effort, and just in proportion as the people of Nova Scotia

will develop the scientific mind, stimulate their ambition, increase their knowledge, and unite in a common purpose, will the large achievement and great social progress which comes from these things come to the Nova Scotians as well.

I now declare this exhibition open.

AT THE UNVEILING OF THE HALIFAX WAR MEMORIAL

July 1, 1929

LADIES AND GENTLEMEN:

It is not easy to find words to express one's self on an occasion like this. This is a time when one would rather be silent in the presence of great memories, would rather cherish within one's self the emotions to which the occasion gives rise than try to express them through the poor instrumentality of language.

When, after the Battle of Marathon, the Greeks out of their deep gratitude built a monument to their heroes, those who by the devotion of their lives had saved Greece from slavery under the Persian tyranny, they wrote upon it the simple words—"These men died in the war". By these simple words they told the story of the sacrifice made. They knew history would record the rest. Human nature is the same in every age. I am sure that we today appreciate profoundly the mental attitude suggested by that historical incident.

But while this is so, I venture in the fewest possible words to recall to your minds three aspects of the great struggle in which the young men of this city and province gave their lives, aspects which should never be forgotten by men and women of British tradition.

First: The War was fought to maintain that conception of freedom which we Anglo-Saxon peoples cherish.

There were a thousand and one causes which entered into the action which led up to the outbreak of hostilities in August, 1914. Some of these grew out of ancient prejudices; some were economic and imperialistic. But on the practical side, it was the determination of an autocratic empire to make the political ideals for which it stood the ideals of Europe. Had the Central Empires succeeded in breaking the power of Britain and France, the demo-

cratic form of government would have become subservient to the autocratic form for the whole of Western Europe.

Now that the German Empire has joined the world's democracies, they see this just as clearly as we do.

We should never forget that our men and women gave their lives for the freedom of the world.

The second aspect which I would ask you to recall is this:—*The British Empire entered the war on behalf of a sacred obligation.* You will remember that under the great emotion of the first days of August, 1914, Britain hesitated, doubtless confused as to where her interest lay. She could not see France destroyed. Yet her statesmen knew the awful cost in blood and treasure involved in entering the war. The invasion of Belgium, whose protection both Britain and Germany had guaranteed, caused every man of British stock upon the seven seas to back the Government's decision to defend Belgium. Whatever may have been the motives of statesmen and politicians, there can be no question as to the motives of the British people. The invasion of Belgium made a clear-cut issue. From that moment there was no division of opinion. The men who fell helped to maintain a sacred obligation.

And, finally, I would recall to you that out of the cataclysm of war there has emerged a new set of ideas which have been formulated into a definite international creed—*the idea of world peace and world co-operation.* The shock of war was necessary to awaken men from the hideous nightmare of tradition in which war and conquest seemed a glorious thing. If the new ideas survive—and they must survive—then that hideous delusion is gone forever.

Today we dedicate a memorial to the 1,360 men and women of this city who fell in the war. They were young men and women of the city, sons and daughters of our own citizens. They had no previous military training, no military ambitions. They served as soldiers and nurses with hearts undaunted and souls undismayed. They are buried as they fell on the stricken field. They fell in the sacred cause of freedom, but if by giving their youth

and the glory of their young manhood and womanhood they have helped to make permanent in men's minds the idea that might is not right, that justice must henceforth be the basis of international settlements, that war must be outlawed and made impossible, *then surely they have not died in vain.* Amen, so let it be!

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ON THE OCCASION OF THE CELEBRATION
OF THE TER-CENTENARY OF THE LANDING OF
SIR WILLIAM ALEXANDER

July 24, 1929

YOUR WORSHIP, LADIES AND GENTLEMEN:

Allow me, on behalf of His Honour the Lieutenant Governor of New Brunswick, the other guests present, and on my own behalf, to thank you for the very gracious welcome which you have extended to us. I can assure you that it is a very great pleasure to us to be here. It is particularly fitting that the Lieutenant Governor of the Province of New Brunswick should be with us on this occasion, as that Province formed part of the territory granted to Sir William Alexander, and as a consequence, is closely associated with the incident which this Festival is to commemorate.

I am aware, as you have pointed out, Sir, that my principal duty on this occasion is officially to declare this Festival open. While I know that distinguished scholars are to deal with the pertinent phases of the history relating to the incident we are celebrating, nevertheless, I hope I may be pardoned if I venture to make a few brief remarks.

First, may I congratulate the Historical Association of Annapolis Royal, and the citizens associated with them, on their enterprise in calling attention from time to time in so splendid a manner to those incidents of our history so full of interest to our people. No part of Canada is more rich in that combination of history and romance which together touch the intellect and the imagination than the Maritime Provinces.

The particular incident which this Festival celebrates, taken alone, may not be regarded as of great National or Provincial importance, but as part of a great sequence of events, it becomes a much more important matter. Even the grant to Sir William Alexander, to which you referred, considered alone may not seem

important, but when viewed in relation to the whole historic setting, it assumes a very different aspect.

The period to which this incident relates was one marked by a zeal for expansion on the part of the maritime nations of Europe. Spain had planted her flag in the Southern Seas, and was developing a New Spain; the banner of France floated over a New France in the Northern areas; the flag of England waved midway between them, where a New England was being created. We cannot wonder, therefore, if Scotland was stirred by an ambition to establish a New Scotland in the great new world.

With these conceptions dominating national life, there began 150 years of almost unremitting conflict, with the final outcome that for a time the British flag floated from the Gulf of Mexico to the Arctic Ocean; and while responsibility and authority are now shared by another great power, we have the satisfaction of knowing that British race traditions, and British race idealism are still the dominating characteristics from the Rio Grande to the North Pole.

But to return to the movement for a New Scotland; James VI of Scotland became James I of England in 1603, and in the same year Henry IV of France, by royal charter, gave to *Sieur de Monts* all that part of what is now known as "North America" lying between the 40th and 46th parallels, designating it as "That part of New France which is one continent with Virginia".

In 1621, Sir William Alexander, a favorite of the Court of King James I, induced the King and the Scottish Council, to grant to him part of that same territory, which was to be known as New Scotland. This included what is now Nova Scotia, New Brunswick, Prince Edward Island, part of the Province of Quebec, and the islands of the St. Lawrence excepting Newfoundland.

The right of the British Crown to make such a grant was based on the fact that in 1497, John Cabot had visited the central portion of the North American continent, and in the name of the King of England had taken possession of the country. James I, therefore, in making this grant, acted as the King of England as well as King of Scotland.

To make his settlement scheme effective, Sir William Alexander two years later induced the King to create, by royal proclamation

a new order of nobility to be called the "Baronets of Nova Scotia", who were to aid in settling the country under the feudal or baronial system. The first three Baronets of Nova Scotia were created in 1625. Other Baronets were created from time to time until, at the union of the two Kingdoms in 1707, there were 120.

Notwithstanding all the elaborate preparations made by Sir William Alexander, his specific plan for the settlement of Nova Scotia was a failure. Even the effort which this Festival celebrates was largely abortive, as by 1635, all but two of the seventy settlers sent out by him had fallen victims to the ravages of want, sickness, and the scalping knife of the Indians. But the events referred to were important in that they fired the imagination of the Scottish people, and directed their thought to that part of the new world which afterward became Canada, and in the end led to important Scottish immigration and successful settlement of the country.

It is hardly necessary to point out to this audience that men of Scottish ancestry have stood out with great prominence and distinction in every walk of life. Whether in the realm of religion, education, commerce, finance, politics, or government, or in the learned professions, there you will find the man of Scottish origin with his tenacity, his intelligence, his enterprise, his endurance, his sagacity, his reliability, his thrift, and his hospitality.

He has been the founder of nearly all our great universities and other educational institutions; the promoter of our great railway and steamship Companies; the builder of our great banks and insurance Companies; he has filled, on numerous occasions, the highest offices in the gift of his King and country; and he has always been active in all social, philanthropic, and religious enterprises. In short, he has been one of the most powerful factors in the building up, on a sound basis, of all our Canadian institutions.

Therefore, it is most fitting that by this Festival we should honour the memory of Sir William Alexander, and call to mind this particular incident of his effort to extend the Kingdom of Scotland across the seas. I sincerely hope that the Festival may be a great success, and a great pleasure to everybody who participates. I now declare the Festival open.

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DELIVERED AT THE UNVEILING OF THE D'ANVILLE MONUMENT

September 4, 1929

MR. CHAIRMAN, LADIES, AND GENTLEMEN:

Before proceeding to unveil the monument, I should like to say a few words:

I regard it as a great honour as well as a pleasure for me to be present, and to take part in this ceremony, a ceremony which takes us back into the dim history of the past, recalls to our minds the human suffering of the pioneers of this country, and reminds us of the battles fought by our forefathers.

It is also a great source of pleasure to observe that the French nation has seen fit to honor the occasion by having present eminent representatives and a body of her gallant sailors, who, with us, pay tribute to their countrymen who died in what they regarded as a patriotic cause.

I wish to congratulate the Historic Sites and Monuments Board on the good work they are doing in calling to mind, in so effective a manner, those incidents of our history, so important, so interesting, and at the same time, so romantic. The fact is that the present and the future of a nation are grounded in past history. History refuses to be ignored even should we desire so to do.

THE HISTORIC SETTING

For over 600 years prior to the incident we are commemorating, war between France and England has been persistently recurrent. There were many causes, but three of them seem to be outstanding:

First: The NORMAN CONQUEST, which gave to the English Kings rights on French soil, and ultimately claim to the French crown. This was naturally repugnant to French national instincts, and a cause of wars for nearly 400 years.

Second: The next cause was DYNASTIC AMBITIONS which led the various dynasts to seek control of other nations, and brought England into war with France by taking sides in these struggles; such as, for example, the Wars of the Spanish and Austrian Successions.

Third: In the meantime, and coincident with the latter cause, there had developed NATIONAL AMBITIONS on the part of the maritime nations of Europe to extend their national boundaries beyond the seas in the New World.

Prior to 1746, following national ambition, Spain had planted her flag in the southern seas, and was developing a New Spain, closing its ports except to a very limited extent, to the trade of other nations. At that time the banner of France floated over a New France in the northern half of the continent, where, governed by much the same exclusive spirit, she was developing a military system, both offensive and defensive. England had chosen the southern half of the continent as her field of operations. Both England and France, however, claimed the centre, which included Nova Scotia. Finally, *each aimed at the conquest of the whole country*. To this end, France had gained the most strategic point—Cape Breton—and had spent thirty years in fortifying Louisbourg.

From this pivotal point France sought to control the entrance to the Gulf of St. Lawrence—the St. Lawrence Valley, and to menace the Atlantic seaboard to the South. From thence she proceeded, in a wide circle, to build a series of forts to the West and South, going up the St. Lawrence to the Great Lakes, down the Ohio Valley to the Mississippi, and thence to the Gulf of Mexico, completely surrounding the British settlements on the coast. She had made friends with the Indian tribes to support her land forces, in which she herself was powerful at that time. What she now needed was enterprise and sea power to complete her undertaking.

On their part, the English colonies, apprehending the situation and fearful of the coming danger, had taken the matter into their own hands, organized an expedition, and with the help of the British squadron under Commodore Warren, had captured

Louisbourg, and the key position of French strategy was now in the hands of the English.

France was balked and furious, and she determined to deal a smashing blow to British prestige and power by retaking Louisbourg, capturing Annapolis Royal and garrisoning it, and destroying all English settlements along the coast, thus preparing the way for the final conquest of the whole country. To this end she mobilized the greatest sea force that had ever crossed the Atlantic, and despatched it to accomplish this purpose.

This force has become commonly known in history as the "D'Anville Expedition", and was composed of some 65 ships of various classes and carrying a fighting force of over 3,000 men. The expedition left Rochell January 22, 1746, and arrived in September of the same year.

EFFECT UPON THE ENGLISH COLONISTS

When the English colonists learned of the expedition, they were naturally in great fear and consternation. They gathered in their churches and prayed to God for deliverance and then set themselves to work to make the best defence possible. Afterward, they firmly believed—as did their fathers in the case of the Spanish Armada, when they took as their motto: "He blew and they were scattered"—that they had been especially delivered by the interposition of Providence. Whether Providence had anything to do with the calamities that befell the squadron or not, it was, from the French point of view, one of the most abortive and disastrous undertakings in the course of naval history.

I do not propose to go into the details of what followed more than to say that one calamity after another befell the fleet; calm weather delayed it; raging tempests beat upon it and scattered and sunk the ships; plague raged among the men; and despair seized upon the leaders, so that in the end half the ships were destroyed without striking a blow, and over 2,000 men found a grave in the ocean or were buried supposedly near the spot where this monument is erected. The remainder got back to France, having accomplished less than nothing.

Notwithstanding the failure of the expedition, it was not without its significance.

In the first place, it revealed the danger of the French policy in respect to North America more clearly to the English, and aroused them to sterner measures. For notwithstanding that in order to close the War of the Austrian Succession they gave back Louisbourg to the French in 1748, it was only because they were not ready for the campaign which was to follow.

In the second place, it was the prelude to the final struggle which, in 1763, was to give the English possession of practically the whole continent of North America.

But, Ladies and Gentlemen, we have fallen upon happier times. England and France are no longer enemies, but allies in the cause of Peace, Good Will and Progress. The old causes of war have vanished, and the two nations now march side by side in honorable emulation in the cause of national righteousness and human liberty.

THE LAST WAR WITH FRANCE FOUGHT

We believe that the last war between France and England has been fought, and we think that Canada has helped to show the way to better things. Notwithstanding the fact that the French yielded to the British on the Plains of Abraham, the French race still inhabits the St. Lawrence Valley, and to-day, throughout the whole of Canada, we find three millions of men and women of the French race, without oppression and without handicap in the full enjoyment of all the things that make life worth while, joining hands with six millions of men and women of the British race in building up a great nation on the Northern half of the North American Continent. This is perhaps the greatest achievement of constitutional government in history.

OPENING EXHIBITION AT WINDSOR

*September 24th, 1929**

MR. CHAIRMAN, LADIES AND GENTLEMEN:

I appreciate very greatly the kind words with which you have welcomed me. I can assure you that it is a very great pleasure for me to be present on this occasion. I was disappointed last year in not being able to accept the invitation you then extended to me to open the exhibition, as I had been, since my appointment as Lieutenant Governor, anxious to get more intimately acquainted with the industries and activities of the whole Province.

I was surprised, on looking into the matter some time ago, to find that there is in Hants County such a diversity of activities as really exists. I observe that, apart from agriculture entirely, there are forty-four different activities represented in this County operated by thirty-three different organizations. This would never appear to anybody who was just passing through the county without making special enquiry.

I am aware, Mr. Chairman, that my first duty is to open this exhibition. I am also aware that, as a rule, Lieutenant Governors are not supposed to know very much about farming, but I think I have perhaps a little to my credit in that regard, which might warrant me in saying a few words on the subject.

In the first place, I was born on a farm, and have kept a farm running all my life, though not always living on it.

In the second place, I represented my native county for fourteen years in the Legislature, being registered as a farmer, although I was not living in the Province at the time, nor personally engaged in farming.

In the third place, I have cleared one of the stoniest farms in the Province, and have made it one of the beauty spots of the county.

*Not delivered because of change of date of opening the Exhibition.

And in the fourth place, I had the first pure bred Ayrshire accredited herd in Nova Scotia.

My experience in farming reminds me of a friend of mine who, when asked what his occupation was, said that he was an agriculturist. He was then asked what was the difference between an agriculturist and a farmer, and he said: "A farmer is a man who makes his money in the country and spends it in the city: an agriculturist makes his money in the city and spends it in the country. I am afraid I have been more of an agriculturist than a farmer.

Allow me just here to congratulate those in charge of this exhibition on the enterprise and energy they have displayed in organizing in so effective a manner the exhibition of this year. I understand that from all angles it gives promise of being one of the best ever held in this community.

The people of this part of the Province have a great many blessings. Living in a locality where the South Mountain protects it from the fogs of the Atlantic, where Blomidon protects it from cold north winds; with its churches, colleges and free school system; with its beautiful landscapes and comfortable homes; with its hills and valleys, its gardens and its flowers and most of all, with its moral and intelligent citizenship, whether you realize it or not, you have here one of God's earthly paradises.

But to return to the thing of most interest to you at the moment, namely the exhibition. There are some people who do not think much of exhibitions; I am not one of them. As an institution, the exhibition has followed the entire course of civilization. It was found among the Persians nearly 2,500 years ago; among the Greeks and Romans, and then on into Europe, where it reached its climax in 1851, when the first great international exhibition was held at the Crystal Palace in London. From that time it has spread through all modern countries, and this year in Canada approximately twenty large exhibitions will be held, with numerous smaller ones of the character represented here today. My point is that an institution with such virility, and of such wide acceptance, must have something of real value to commend it.

The value of an exhibition, in the first place, lies in the fact that it gives an opportunity for an annual holiday to the people of the country, a thing absolutely necessary after the long months of toil on the farms, and so it brings the people of the community together in mutual contact under happy circumstances. If the exhibition served no other purpose, the effort in bringing it about would be justified.

In the second place, it brings the activities of the people under concentrated review. One can learn more in a few days about what is going on in a community at an exhibition of this kind, than they could in months in the ordinary way.

Pride in achievement is one of the chief factors in human progress and this can only be stimulated by observing what is being done by the people from time to time.

In the third place, exhibitions stimulate one of the most powerful instincts of man, the competitive instinct. All my experience goes to indicate how effective this force can become when it is applied to human endeavour. I learned its use early in life, and much of my success in handling men has been due to its employment.

In the fourth place, and perhaps the most important of all, it focuses attention upon agriculture, the importance of which is apt to be overlooked by everybody. In agriculture the man is perhaps less articulate than in any other of the great human industries, and, therefore, it is necessary that from time to time the true place of agriculture in the economy of industry should be stressed.

I shall now turn for a moment to agriculture itself. Four striking facts always appear to me when thinking of this subject. The first is that national power and prosperity depend upon country life. Recent investigations which have been made in connection with the rise and fall of civilizations clearly show this to be so. In this connection a recent writer states as follows:

"The civilization of Greece passed into its decline when the Grecian cities ceased to be fed from the life on the open lands to the North.

"When the mighty city civilization of Rome could no longer replenish itself from the life on its land, which it had permitted

to become shamefully impoverished, then that civilization began to decay. We see the spectacle of Roman orators and poets set to work to extol life on the land in a desperate effort to turn the tide and check the exhaustion of their rural community life. But it was too late. Their rural community life was already exhausted, and the city life which depended on it had to die."

In an article in the *English Review* some time ago, Ernest Remnant said:

"A thoroughly healthy Londoner cannot be found whose blood has not been renewed within three generations from the country. The country breeds bone and sinew and muscle without that excessive development of nerves which is the curse of urban populations."

The second striking fact is that agriculture is the greatest business in the world. In Canada alone the capital invested in agriculture exceeds that of any other industry by many millions, the amount being estimated at nearly eight billions of dollars, and the annual income, nearly two billions. Besides this, on this continent over fifty million people are directly dependent upon agriculture, with nearly seventy million more indirectly dependent upon the same source.

The third striking fact is that there is never a year's food supply ahead in the world.

This fact struck me very forcibly when I was engaged during the war in connection with the conservation of food, and when the danger of the starvation of the English people became a possibility. If the farmers of the world should cease working for one year, the population of the earth would disappear.

The fourth striking fact is that agriculture presents more difficulties at the present moment than any other industry in which man is engaged. Take the great nation to the South of us, with abundance of land and great prosperity—yet in their last presidential election there seemed to be only two outstanding issues: Prohibition and Farm Relief. Both have been troubling us to some extent in this country as well. In one of his speeches during the campaign, Mr. Hoover said:

"The most urgent economic problem in our nation today is in agriculture. It must be solved if we are to bring prosperity and contentment to one-third of our people directly, and to all of our people indirectly."

The other candidate for the presidency, Mr. Smith, said:

"The value of farm property between 1920 and 1925 decreased by twenty billion dollars. This depression made itself felt in an enormous increase of bank failures in the agricultural districts. In 1927 there were 830 bank failures, with total liabilities of over 270 millions of dollars, almost entirely in the agricultural sections."

In Great Britain two great questions engage the public mind, the first is unemployment, and the second is agriculture. In this connection a recent writer has said:

"Some of the questions that demand attention during the life of the present Parliament will call for all the qualities of leadership, including courage. First among them I should place agriculture. Not only is its preservation a national duty; it is a vital national necessity."

In Canada the condition is better, but many of us do not forget the political upheaval caused by the unrest of agriculture in recent years.

There are many difficulties in connection with the business of this industry, but there are one or two which seem to me more important than the others. The first is the difficulty of controlling the factors entering into it on a definitely calculated profit-paying basis, such as is the case in most of our other great industries.

Take, for example, our finance corporations such as banks, insurance companies, loan and trust companies. They base their operations on a pre-calculated profit basis; that is to say, the interest on money deposited with them is fixed at a certain rate over which the depositor has little control, and the interest charged on loans to individuals is also fixed at a rate which always has in mind a reasonable profit on the capital invested. The same method is true, though the factors differ, in the case of manufacturing, commerce, transportation, etc.

In all cases these corporations determine very largely what they shall pay for things they buy, and what they shall charge for the things they sell. It is true, of course, that in all cases competition modifies these processes. With agriculture, it is just the opposite. Somebody else determines the price of the thing the farmer buys, as well as the price of the thing he sells: hence the great fundamental difficulty in making agriculture profitable.

The next difficulty that presents itself arises from the wide range of knowledge required today to be a first-class farmer. The old rule of thumb is out of date in dealing with agricultural processes. To be able to compete successfully, a farmer must have a knowledge of soils, of fertilizers, of plant pathology, of plant pests, of animal husbandry, as well as financing, cost accounting, marketing, and many other subjects, and at the same time, there are no adequate facilities for the farmer to acquire such knowledge.

A third difficulty arises from the development of such an enormous number of small independent units, schooled in independent action. The small independent farmer is in one sense the glory of the business, but on the other hand, he presents one of its greatest problems. The individual holding indicates his evolution from the old method of slavery and serfdom, to the advanced method of individual freedom and independence, but this very independence retards the development of agriculture as compared with the methods of the great corporations who organize their forces for profit and mass production.

Another problem arises from the difficulty of organizing on a co-operative basis, which, while preserving individual ownership and independent action, gives the advantage of corporation efficiency. The great number of units, the wide range of territory, and the diversity of things produced, all make co-operation one of the most difficult problems in the whole range of agricultural effort, but at the same time, one of the essential factors in its future prosperity.

To be able to discover difficulties is always one step toward their solution, and while a great many solutions are being

offered today to relieve the situation in regard to agriculture, there are some which appeal to me more strongly than others.

One is by awakening in the minds of those engaged in agriculture an intelligent ambition in respect thereto, and a proper appreciation of its importance, its dignity, and its necessity.

Another is by directing the educational processes of the nation more toward the needs of agriculture. Since 1862 much has been done all over this continent in this respect, more particularly in connection with the higher branches of this education. Agricultural colleges have been organized in almost every State and Province on the continent, but the great bulk of our educational work is directed toward the professions rather than agriculture. We shall have to go farther yet in the direction of agricultural education.

Still another is by developing a system of scientific research for agriculture, the findings of which shall be easily accessible for the farmer. Science has become the handmaid of industry. The developments of scientific research in the world have become tremendous as compared with what it was a few years ago. In the United States alone approximately \$250,000,000 is being spent in various forms of scientific research. Enormous amounts are being spent also in Germany, France, and England, and I am glad to note that Canada is now trying to organize for scientific work. I am hoping that any important place in this organization may be given to dealing with agricultural problems.

The last solution I shall mention is that of creating an effective system of organized co-operation to deal with all phases of agriculture. This is a tremendous problem, as indicated by what I have previously said. But there is one bright spot in history which has an important bearing on this phase of the subject. In a recent work by Macy Campbell, he gives a sketch of the history of the development of farming in Denmark in the following words:

"One hundred and forty years ago Danish farmers were serfs, bound to the land and sold with it like the cattle and farm buildings. They had felt the chains of serfdom for 600 years. In 1788 they were liberated by Prince Regent Frederick.

These free serfs were much like the freed negroes in the South. They owned little property and practically no land.

"As late as 1866 the situation existed that 4% of the people of Denmark owned 80% of the land. To make matters worse, the landless Danish farmers were forced to wring an existence from a poor, thin, unproductive soil.

"Driven by bitter adversity and by grinding necessity, the Danish farmers banded themselves together to try to help themselves through group marketing of their produce. They made many failures. Finally they began to find the way to success. Patient, continuous effort for the last 75 years has been rewarded by the perfection of the most successful co-operative merchandising of farm commonities to be found among the farmers of any nation in the world.

"Danish farmers have made organized agriculture the biggest business and the most prosperous business in all Denmark. Big business as now established on Danish farms is just as able to hold its own as the biggest corporate business in any city of Denmark. Through co-operative marketing, co-operative credit and co-operative education, the Danish farmers have made themselves the most wealth-holding, the most land-owning, and the best educated farmers in the world."

I am hopeful that out of the welter of enquiry being made, the agitation which is going on, and the general interest in the subject manifested, that agriculture may be put upon such a foundation as will satisfy reasonable ambition, and at the same time be on a parity as to profitableness with other phases of national endeavor, and also give the farmer the social and commercial status which those engaged in this great business deserve.

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INTRODUCTORY ADDRESS AT THE CEREMONY OF THE LAYING OF THE CORNER-STONE OF THE PUBLIC ARCHIVES BUILDING

August 29th, 1929

WE ARE met together to-day for the purpose of laying the corner-stone of another structure which, though not owned by the University, nevertheless will form part of the equipment of this great educational institution, and to listen to addresses by two distinguished sons of Nova Scotia, the Honorable Edgar N. Rhodes, and Mr. C. H. Cahan.

I can assure you that as Chairman of the Board of Trustees of the Public Archives of Nova Scotia, it affords me much pleasure to take part in this ceremony, and to extend a welcome to the many friends of the University who are here present. I regard it as a very happy circumstance that the laying of this corner-stone should synchronize with the University Reunion now being held.

It is with some pride and a great deal of satisfaction that we are met together on this occasion; pride and satisfaction because of the evidence of progress which is seen around us. There are evidences of progress in many directions, but one or two seem to be outstanding.

The first is that of an enlarged educational equipment and outlook. It is a noteworthy fact that all the buildings on this campus, except the wooden structure to my right, have been erected within the last fifteen years: Science Building, completed in 1914, followed later by Macdonald Memorial Library, Arts Building, Shirreff Hall, King's College Group, now being constructed, Public Archives Building, the corner-stone of which we are about to lay.

Besides these on the other campus of the University two other important buildings were erected in 1924.

The second evidence of progress is seen in a greater social and educational unity. There has been accomplished in 1929 that which completely failed in 1829, and on several subsequent occasions, and which could not have been accomplished twenty-five years ago, namely, the union of King's College with Dalhousie University; the one representing the aristocratic, dignified, and denominational side of education, and the other the inter-denominational and more democratic side.

The fusion of these elements will make, I believe, for greater progress, harmony, and efficiency in the social and educational life of this city and province.

The third evidence of progress is seen in the development of an enlarged educational generosity on the part of friends of both King's and Dalhousie, by which the programme of recent years has been made possible.

It is a remarkable fact that nearly four times as much money has been contributed toward the work of the University in the last fifteen years as was contributed in the first ninety-seven years of the history of the institution; the figures in the first case being a little over \$1,000,000, and in the second case approximately \$3,566,000, with \$860,000 deferred payments to be made in the future.

Many large contributions have been made by individuals and corporations, the last being a contribution of over \$200,000 from an anonymous donor for the erection of this Public Archives Building, the corner-stone of which we are about to lay.

For the latter gift, three men are responsible:

First, The President of the University, Dr. Mackenzie, who for some time saw the urgent necessity of such a building and kept the idea alive.

Second, the Honorable Edgar N. Rhodes, who with diplomatic skill and tact, presented the case for the Province and secured the necessary fund.

Third, the donor of the building whose name is not known even to the members of the Board of Trustees, and who is represented in all transactions in connection with his gift by Mr. J. McG. Stewart. Two things, however, are known about this gentleman:

the first is that he a very generous man, and the second is that he is a gentleman of extreme modesty, for, as I have already intimated, he has refused to allow his name to be known in connection with his gift in any particular.

We will now proceed to lay the corner-stone, after which Mr. Rhodes will address you.

DELIVERED AT THE CLOSING OF
KING'S COLLEGE SCHOOL

Windsor, June 16th, 1930

MR. CHAIRMAN, LADIES AND GENTLEMEN:—

I appreciate very much the opportunity of being with you on this occasion, and of saying a few words to the young people assembled here.

First, I wish to congratulate them on the closing of the school year, especially those who are reaching the end of their school course. May I express the hope that many of you intend to go on with your education, and that you may become fitted to take a large place in the life of Canada in the future.

Perhaps the best way to contemplate the future and the opportunity it will bring to you is to consider some of the changes that have taken place over a period of years, and then to remember that in all probability you young people will see even greater changes than those I have witnessed.

I would recall the fact that systems of education, as they now exist in Canada, are very modern indeed. I, personally, attended school in one of the first school houses under the first Act establishing a complete system of schools in Nova Scotia. In those days there was only a limited opportunity for education in our Province.

It is on record that in 1863, of the 83,000 children between the ages of 5 and 15 in Nova Scotia, 58,950 were not attending school. This means that less than one-third of the children of the Province, approximately 25,000, were receiving education in an organized way. Under such circumstances a general culture was impossible.

All this, however, has been completely changed. In 1927, there were enrolled in the schools of the Province 112,391 children, approximately the total school population of the Province. There was expended on education approximately \$4,000,000., and the

value of our school property today stands at somewhere between \$7,500,000. and \$8,000,000.

The school to which you young people belong has a far older tradition than this. It has had over 140 years of continuous history. Your tradition links you with the great church and public schools of England. Those great schools whose traditions you have inherited have for centuries held up before the people of the British Empire the best ideals of national character. You have the further advantage of being a society in yourselves. In your school you are being trained to perform all the functions of civilized society. During this training you have the opportunity of forming friendships because of your close association, which will last you all your lives. I cannot wish anything better for you than that these splendid traditions of manliness, public spirit, self-command and capacity for responsibility should be cherished by you and find expression in your individual lives.

The same contrast to school education will be found in our higher educational institutions. Fifty years ago the schools and colleges of our country were only beginning to take their place in our national life. Faculties of Science and Engineering, Commerce and Education, were wholly unknown. Today there is not an avenue that opens before our young men and young women for which higher educational facilities have not been efficiently provided.

This same contrast is seen in connection with the business of the country. Fifty years ago our business was on a very small scale indeed. What was then regarded as a large business would today be considered exceedingly small. Just to let you have a picture of what this growth has meant, I should like, even at the risk of boring you, to present the following figures:

The Merchants Bank of Halifax, which is now the Royal Bank of Canada, had in 1895, total resources of \$9,275,000. In 1927 the Royal Bank had \$772,473,000.

The Bank of Montreal had as total resources: In 1895, \$55,366,000. In 1927, \$769,180,000.

The assets of the Chartered Banks of Canada were: In 1867, \$78,000,000. In 1927, \$2,864,000,000.

The Bank of Nova Scotia had as total resources: In 1895, \$11,900,000. In 1927, \$248,000,000.

At Confederation the Railway Mileage of Canada was 2,278 miles; in 1927 it was 40,352 miles.

The value of our manufactured products increased over ten-fold between the years 1870 and 1925.

The assets of the Sun Life of Canada, a company with which I was associated for many years, in 1891 were, \$2,900,000 and in 1929 were \$566,000,000.

This enormous growth in business organization has brought about a complete change in administrative methods. In the small business of a generation ago, the management was in the hands of one man, whose relations to his employees were almost family relations, and the owner had full responsibility. In the great businesses of today, the management deal with general principles and not with the details. Men like Mr. Edward Beatty, Sir Henry Thornton, Mr. T. B. Macaulay devote their time to the application of the broad general principles underlying their business operations. Consequently much heavier responsibility rests upon the shoulders of the younger men, and all these great executives today are looking for young men who can assume responsibility.

All this has been brought about by the growth of knowledge and our knowing what to do and how to do it. This knowledge is made available in the schools and colleges to the young men and women who seek it. In order to obtain it, however, sufficient training must be obtained to master the complicated situation which modern life presents.

Further, the enormous growth of national wealth has been largely the result of applying scientific knowledge acquired during one generation to the natural resources of the world which had previously been lying unused.

Now the reason why I have called your attention to these great changes is because I wish to emphasize to you the fact that to undertake the administrative work in connection with the complicated industrial and social life of our day requires men and women who have submitted to the necessary training. The time

was when one with moderate ability could overcome the handicaps of a lack of education. That day has practically passed and the largest fields in commercial life, in the church, in law, in medicine, and in politics in the future must remain a preserve to those who by long training have a mastery of the knowledge of our time.

You ask me whether the advantage to be gained in the end is worth all the effort you must put into it. My answer is that the advantage to be gained is only worth while to those who have the capacity to appreciate it. There must always remain large numbers of people who, having made no mark in life themselves, think lightly of those who have attained to great responsibility. After all, the chief value of position is the sense of accomplishment which the individual himself possesses, and only those who have attained can appreciate the joy of attainment.

But for the sake of argument we will admit the worthwhileness of it all. Then I would say to you that the future is calling for men possessing certain special qualities.

The *first* I have already mentioned—the trained mind. As I have already pointed out, there are schools of training available today for men of every kind; schools for engineers, for business executives, for actuarial science, for commercial life, for agriculture, as well as the old professions, the church, law and medicine. It is almost useless today to seek an advantageous position in any of the great organizations without related higher training.

Second: In the second place, the world is looking for men who possess certain great human qualities. Among those I would mention sympathy with men in the struggle of life; the power to establish relations of good will with their fellows; the possession of a hopeful and optimistic view of life. Nobody wants to work with a man who always sees the dark side of the picture. Let no man convince you that striving to attain the end you are striving for is not worth while. To do otherwise is to become a pessimist.

Third: The capacity of constructive thinking is required. The easiest thing in the world is to be a critic. I have sometimes said that the man whose gift is that of criticism is sometimes regarded at 30 as brilliant; at 40 as a bore; and at 50 no one wants to

associate with him. On the other hand constructive thinking, because it is harder, often means silence at 30, commendation at 40, and leadership at 50.

Fourth: In the fourth place, what is wanted are men of integrity, men who can be depended upon to deal honestly and fairly with their fellows. To everyone there comes the temptation of taking the easy road to wealth. Do not forget that the road of life is strewn with the wrecks of those who thought money more valuable than character.

Fifth: As never before, the call is for people with the capacity for loyalty; loyalty to a purpose in life, loyalty to one's own conscience, loyalty to their business associates. Integrity and loyalty go hand in hand, opening the road to great achievement to those who cultivate them.

I would say finally there never was a time in the history of the world when men were more wanted who had the will to work, who find joy in achievement as the result of pressure upon their own mind and body. In all my experience I have never known anyone who got very far who spent his time watching the clock.

I hope you will forgive my sermonising. Perhaps I may consider myself old enough and experienced enough to offer advice to the brilliant and quick-witted young people of this generation.

ACADIAN CELEBRATION AT GRAND PRE

August 20th, 1930

MR. CHAIRMAN, LADIES AND GENTLEMEN:

I assure you that it gives me peculiar pleasure to welcome, in the name of the Province of Nova Scotia, so many distinguished guests to this unique gathering.

It is true that we meet to recall an event which happened 175 years ago, an event which we of the British race cannot speak with any degree of pride. I am happy to say, however, that we meet, not to recall the old animosities of another and less favored age, but to rejoice in the good will and mutual understanding of a new and better day.

It is the irony of history that the two great races which have done more for human progress than any other races in the modern world, the British and the French, should have found themselves in almost continuous conflict for centuries.

The real causes of this conflict are more apparent to us of this enlightened age than to the participants of that long gone time. Both races were progressive and ambitious. Unfortunately, their geographical position resulted in their activities being staged in the same parts of the world, and this made war inevitable. In Asia, in Africa, and America the conflict raged.

That both nations still continue to occupy positions of leadership and power in the world shows that the old vitality and ambition still survive. That they should in our time join forces to protect civilization, is an evidence of growing wisdom.

You are all familiar with the circumstances associated with the event which we commemorate to-day. France and England were approaching the end of the long struggle for the supremacy of the North American continent.

War, which is always cruel, seemed to make necessary the removal of the Acadians from what was to them their native land.

The fortunes of war had thrown the dominating influence into the hands of the British, and the narrow margin of safety upon which depended her control of the continent, seemed to make necessary the removal of the possibility of the Acadians throwing themselves into the conflict against British authority.

The Expulsion of the Acadians was a cruel act, done in a cruel age, as an act of war which always produces cruelty, even in otherwise chivalrous nations.

That there would so soon be established on this continent a new great power, the United States of America, no one could at that moment foresee. The intention of the British action was to safeguard the New England colonies, not as it turned out, to make possible a conflict with them.

Paradoxical as it may appear, the rise of the British colonies in America, through the War of Independence, to the paramount position which the United States of America occupies today on this continent, was the direct outcome of the triumph of British arms, and the establishment of British supremacy in America.

But, as stated before, our celebration today is not to recall the old cruelties and animosities of the past, but rather to direct attention to the development of good will and reconciliation which have taken place since that day.

Look for a moment at what has happened. In the Province of Nova Scotia not only have we completely forgotten the antagonisms of the past, but we hardly think of each other as belonging to separate races. We are all Nova Scotians, loving our native Province, the most beautiful of all the Provinces of Canada.

Then in Canada, taken as a whole, the British and the French have learned to live side by side, each race maintaining and developing their own particular racial qualities, yet uniting in a common effort to build up in the Dominion of Canada a civilization based upon liberty, justice, and tolerance. That we are, in spite of great difficulties, bringing to the support of national ideals the best qualities of both races, I think no one will deny.

Then glance for a moment at what has taken place in the United States. Perhaps the greatest lesson that she has taught

the world is that it is possible for men and women of different nationalities, brought up in traditions of racial hatred and racial conflict, as are common to the central portions of Europe, to learn to live side by side in fellowship and good will under the broadening influence of a democratic civilization.

These great peoples represented here today, the British, the French, and the people of the United States, are without question three of the foremost races of the world in promoting international good will and intercourse, and all that goes to make that intercourse wholesome and agreeable.

But I must not forget that my duty is to extend to all present a welcome to this historic spot, a spot hallowed by the heart-breaking separation of nearly two centuries ago, to welcome you to a celebration which will testify anew that the two peoples, while loyal to their tradition of race and history, are united, heart and soul, in the possession of a common country and in the enjoyment of a common heritage.

Ladies and Gentlemen, in the name of the people of Nova Scotia, I welcome you to Grand Pré.

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